

ALEXANDERS J CORP
Form PREM14C
September 21, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c) of the

Securities Exchange Act of 1934

(Amendment No.)

Check the appropriate box:

- x Preliminary Information Statement
- .. **Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))**
- .. Definitive Information Statement

J. ALEXANDER S CORPORATION

(Name of Registrant as Specified In Its Charter)

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Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

- 1) Title of each class of securities to which transaction applies:
Common Stock, par value \$0.05 per share, with associated Series A Junior Preferred Stock Purchase Rights

- 2) Aggregate number of securities to which transaction applies:
6,035,788*

- 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):
\$14.50

- 4) Proposed maximum aggregate value of transaction:
\$95,031,397

- 5) Total fee paid:
\$10,891**

* Estimated solely for purposes of calculating amount of filing fee in accordance with Rule 0-11 under the Securities Exchange Act of 1934. The transaction valuation was calculated by adding the sum of (i) (A) 6,035,788 shares of common stock, par value \$0.05 per share, of J. Alexander's Corporation (J. Alexander's) outstanding, multiplied by (B) the offer price of \$14.50 per share, and (ii) (A) 926,322 shares of common stock, par value \$0.05 per share, of J. Alexander's issuable pursuant to outstanding options with an exercise price less than the offer price of \$14.50 per share, multiplied by (B) the offer price of \$14.50 per share minus the weighted average exercise price for such options of \$6.39 per share.

** The amount of filing fee is calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended, and Fee Rate Advisory No. 3 for fiscal year 2012 issued by the Securities and Exchange Commission. Such fee equals 0.011460% of the transaction value.

Fee paid previously with preliminary materials.

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- x Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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- 1) Amount Previously Paid:
\$10,865

- 2) Form, Schedule or Registration Statement No.:
Schedule TO

- 3) Filing Party:
Fidelity National Financial, Inc., Fidelity National Special Opportunities, Inc. and New Athena Merger Sub, Inc.

- 4) Date Filed:
August 6, 2012

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J. ALEXANDER S CORPORATION

3401 West End Avenue

Suite 260

P.O. Box 24300

Nashville, Tennessee 37203

[], 2012

To the Shareholders of J. Alexander s Corporation:

As announced on August 2, 2012, J. Alexander s Corporation (the Company or J. Alexander s) entered into an Amended and Restated Agreement and Plan of Merger, dated July 30, 2012 (the Restated Merger Agreement), by and among the Company, Fidelity National Financial, Inc., a Delaware corporation (Fidelity), New Athena Merger Sub, Inc., a Tennessee corporation and an indirect, wholly owned subsidiary of Fidelity (Merger Sub), American Blue Ribbon Holdings, Inc., a Delaware corporation and an indirect, majority-owned subsidiary of Fidelity (ABRH), Athena Merger Sub, Inc., a Tennessee corporation and a direct, wholly owned subsidiary of ABRH, and Fidelity Newport Holdings, LLC, a Delaware limited liability company and an indirect, majority-owned restaurant operating subsidiary of Fidelity, as subsequently amended by the First Amendment to the Amended and Restated Agreement and Plan of Merger, dated September 5, 2012 (the First Amendment), by and among J. Alexander s, Fidelity and Merger Sub, which provides for the acquisition of the Company by Fidelity in two steps. The first step was a cash tender offer by Merger Sub to acquire all of the outstanding shares of J. Alexander s common stock, par value \$0.05 per share (the Shares), at a price of \$14.50 per Share, net to the seller in cash without interest thereon, subject to any applicable withholding and transfer taxes (the Offer). The Offer was completed on September 19, 2012. Pursuant to the Offer, Merger Sub purchased a total of 4,451,627 Shares (excluding 321,133 Shares subject to guarantees of delivery), which constitute approximately 73.75% of J. Alexander s issued and outstanding Shares. Pursuant to a subsequent offering period commencing on September 20, 2012 and expiring at 5:00 p.m., New York City time, on Wednesday, September 26, 2012, Merger Sub acquired an additional [] Shares, or approximately []% of the issued and outstanding Shares. Together with the Shares acquired during the Offer, Merger Sub owns a total of approximately []% of the issued and outstanding Shares. The merger of Merger Sub with and into the Company (the Merger), in which J. Alexander s will be the surviving corporation, is the second and final step in the acquisition of J. Alexander s by Fidelity and is intended to complete the acquisition of any Shares not acquired by Merger Sub pursuant to the Offer. As a result of the Merger, J. Alexander s will become an indirect, wholly owned subsidiary of Fidelity. In the Merger, each outstanding Share (other than Shares held by J. Alexander s or Merger Sub, which will be cancelled and retired and will cease to exist without any consideration being delivered in exchange for those Shares) will be converted into the right to receive \$14.50 in cash, without interest thereon, subject to any applicable withholding and transfer taxes, all as more fully set forth and described in the accompanying Information Statement and the Restated Merger Agreement and the First Amendment, copies of which are attached as Annex 1 and Annex 2, respectively, to the Information Statement. All references to the Merger Agreement are intended to mean the Restated Merger Agreement, as amended by the First Amendment.

On [], 2012, a special meeting of J. Alexander s shareholders will be held for the purpose of approving the Merger Agreement and adopting an amended and restated charter of J. Alexander s, as the surviving corporation in the Merger, in the form attached as Annex 3 to the Information Statement (the Charter Amendment).

The affirmative vote of a majority of the outstanding Shares at a meeting of J. Alexander s shareholders at which a quorum is present will be necessary to approve the Merger Agreement and adopt the Charter Amendment. As a result of the consummation of the Offer, Fidelity beneficially owns and has the right to vote a sufficient number of outstanding shares of J. Alexander s common stock such that approval of the Merger Agreement and adoption of the Charter Amendment at the special meeting is assured without the affirmative vote of any other shareholder.

You are welcome and invited to attend the special meeting; however, **you are not being asked for a proxy and are requested not to send one**. The accompanying Information Statement explains the material terms of the Merger Agreement and the Charter Amendment and the reasons for and effects of their approval and adoption, respectively. Please read the accompanying Information Statement carefully.

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J. ALEXANDER S CORPORATION

3401 West End Avenue

Suite 260

P.O. Box 24300

Nashville, Tennessee 37203

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON [], 2012

A special meeting (including any and all adjournments or postponements thereof, the Special Meeting) of shareholders of J. Alexander s Corporation will be held at J. Alexander s Restaurant, 2609 West End Avenue, Nashville, Tennessee 37203 at 9:00 a.m., Nashville Time, on [], 2012, for the following purposes:

- (1) To consider and vote upon a proposal to approve the Amended and Restated Agreement and Plan of Merger, dated July 30, 2012 (the Restated Merger Agreement), by and among J. Alexander s Corporation, a Tennessee corporation (the Company or J. Alexander s), Fidelity National Financial, Inc., a Delaware corporation (Fidelity), New Athena Merger Sub, Inc., a Tennessee corporation and an indirect, wholly owned subsidiary of Fidelity (Merger Sub), American Blue Ribbon Holdings, Inc., a Delaware corporation and an indirect, majority-owned subsidiary of Fidelity (ABRH), Athena Merger Sub, Inc., a Tennessee corporation and a direct, wholly owned subsidiary of ABRH, and Fidelity Newport Holdings, LLC, a Delaware limited liability company and an indirect, majority-owned restaurant operating subsidiary of Fidelity, as subsequently amended by the First Amendment to the Amended and Restated Agreement and Plan of Merger, dated September 5, 2012 (the First Amendment), by and among J. Alexander s, Fidelity and Merger Sub. The Merger Agreement provides, among other things, for (i) the merger of Merger Sub with and into J. Alexander s (the Merger), with J. Alexander s continuing as the surviving corporation and an indirect, wholly owned subsidiary of Fidelity, and (ii) the conversion of all of the issued and outstanding shares of J. Alexander s common stock, par value \$0.05 per share (the Shares) (other than Shares held by J. Alexander s or Merger Sub, which will be cancelled and retired and will cease to exist without any consideration being delivered in exchange for those Shares), into the right to receive \$14.50 per Share in cash, without interest thereon, subject to any applicable withholding and transfer taxes as more fully described in the accompanying Information Statement and the Restated Merger Agreement and the First Amendment, copies of which are attached as Annex 1 and Annex 2, respectively, to the Information Statement.
- (2) To consider and vote upon a proposal to adopt an amended and restated charter of J. Alexander s, as the surviving corporation in the Merger, in the form attached as Annex 3 to the Information Statement (the Charter Amendment).
- (3) To transact such other business as may properly be brought before the Special Meeting.

Only shareholders of record at the close of business on [], 2012 will be entitled to receive notice of, and to vote, at the Special Meeting.

You are cordially invited to attend the Special Meeting; however, proxies are not being solicited for the Special Meeting.

You should not send any Share certificates at this time. After the Merger is completed, you will receive a letter of transmittal containing instructions on where to send your Share certificates in order to exchange them for the merger consideration.

We are not soliciting your proxy.

By Order of the Board of Directors

R. Gregory Lewis

Secretary

This notice is dated [], 2012.

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J. ALEXANDER S CORPORATION

3401 West End Avenue

Suite 260

P.O. Box 24300

Nashville, Tennessee 37203

INFORMATION STATEMENT

WE ARE NOT ASKING YOU FOR A PROXY

AND YOU ARE REQUESTED NOT TO SEND US A PROXY

This Information Statement is being furnished to holders of common stock, par value \$0.05 per share (the common stock), of J. Alexander s Corporation, a Tennessee corporation (the Company or J. Alexander s), in connection with (i) the proposed merger (the Merger) of New Athena Merger Sub, a Delaware corporation (the Merger Sub) and a wholly owned subsidiary of Fidelity National Financial, Inc., a Delaware corporation (the Fidelity), with and into J. Alexander s as contemplated by that certain Amended and Restated Agreement and Plan of Merger, dated July 30, 2012 (the Restated Merger Agreement), by and among J. Alexander s, Fidelity, Merger Sub, American Blue Ribbon Holdings, Inc., a Delaware corporation and an indirect, majority-owned subsidiary of Fidelity (the ABRH), Athena Merger Sub, Inc., a Tennessee corporation and a direct, wholly owned subsidiary of ABRH, and Fidelity Newport Holdings, LLC, a Delaware limited liability company and an indirect, majority-owned restaurant operating subsidiary of Fidelity (the Operating Company), as subsequently amended by the First Amendment to the Amended and Restated Agreement and Plan of Merger, dated September 5, 2012 (the First Amendment), by and among J. Alexander s, Fidelity and Merger Sub, and (ii) the adoption of an amended and restated of charter of J. Alexander s, as the surviving corporation in the Merger, in the form attached as Annex 3 to this Information Statement (the Charter Amendment). The Merger, in which J. Alexander s will continue as the surviving corporation and an indirect, wholly owned subsidiary of Fidelity, and the Charter Amendment are, together, the second and final step in the acquisition of the Company by Fidelity. The first step was a cash tender offer by Merger Sub to acquire all the outstanding shares of J. Alexander s common stock (collectively, the Shares) at \$14.50 per Share (the Offer Price), net to the seller in cash without interest thereon (the Offer), subject to any applicable withholding and transfer taxes. J. Alexander s filed a Solicitation/Recommendation Statement on Schedule 14D-9 on August 6, 2012 (including amendments and supplements thereto, the Schedule 14D-9), following the commencement of the Offer, which was disseminated to shareholders.

The Offer was completed on September 19, 2012, and Merger Sub purchased a total of 4,451,627 Shares pursuant to the Offer (excluding 321,133 Shares subject to guarantees of delivery), which constitute approximately 73.75% of the issued and outstanding shares of J. Alexander s common stock. Pursuant to a subsequent offering period commencing on September 20, 2012 and expiring at 5:00 p.m., New York City time, on Wednesday, September 26, 2012, Merger Sub acquired an additional [] Shares, or approximately []% of the issued and outstanding Shares. Together with the Shares acquired during the Offer, Merger Sub owns a total of approximately []% of the issued and outstanding Shares. As a result of the Merger, J. Alexander s will become an indirect, wholly owned subsidiary of Fidelity. In the Merger, each outstanding Share (other than Shares held by J. Alexander s or Merger Sub, which will be cancelled and retired and will cease to exist without any consideration being delivered in exchange for those Shares) will be converted into the right to receive \$14.50 in cash, without interest thereon, subject to any applicable withholding and transfer taxes. Shareholders are responsible for transfer and similar taxes, if any, which may be withheld from the Merger Consideration. The Restated Merger Agreement amends and restates in its entirety that certain Agreement and Plan of Merger, dated June 22, 2012, by and among J. Alexander s, Fidelity, ABRH, Athena Merger Sub, Inc., a Tennessee corporation and a direct, wholly owned subsidiary of ABRH, and the Operating Company (the Prior Merger Agreement). A copy of the Restated Merger Agreement and the First Amendment are attached to this Information Statement as Annex 1 and Annex 2, respectively. For purposes of this Information Statement, references to the Merger Agreement are intended to mean the Restated Merger Agreement, as amended by the First Amendment. A copy of the Charter Amendment is attached to this Information Statement as Annex 3.

A special meeting of the Company s shareholders will be held on [], 2012, at 9:00 a.m., Nashville Time, at J. Alexander s Restaurant, 2609 West End Avenue, Nashville, Tennessee 37203. The Company s principal

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executive offices are located at 3401 West End Avenue, Suite 260, Nashville, Tennessee 37203. The special meeting of shareholders (including any and all adjournments or postponements thereof) is referred to in this Information Statement as the Special Meeting. You are welcome to attend the Special Meeting; however, the Company is not soliciting proxies for the Special Meeting.

Only holders of record of the Shares at the close of business on [], 2012 (the Record Date) are entitled to receive notice of, and to vote at, the Special Meeting. On the Record Date, there were [] shares of J. Alexander's common stock outstanding. The presence of at least a majority of the issued and outstanding Shares will be necessary to constitute a quorum. The affirmative vote of a majority of the outstanding Shares at a meeting of J. Alexander's shareholders at which a quorum is present will be necessary to approve the Merger Agreement and adopt the Charter Amendment. Each Share is entitled to one vote. As a result of the consummation of the Offer and the subsequent offering period, Fidelity beneficially owns a total of approximately [] shares of J. Alexander's common stock, representing approximately []% of all issued and outstanding shares of J. Alexander's common stock. Fidelity intends to attend the Special Meeting and vote or cause to be voted all such shares in favor of approving the Merger Agreement and adopting the Charter Amendment, and such vote is sufficient to assure approval of the Merger Agreement and adoption of the Charter Amendment at the Special Meeting. As a result, the affirmative vote of other J. Alexander's shareholders is not required to approve the Merger Agreement or adopt the Charter Amendment. Accordingly, a quorum and the approval of the Merger Agreement and adoption of the Charter Amendment at the Special Meeting is assured without the attendance or affirmative vote of any other shareholder. The completion of the Merger is also subject to the satisfaction or waiver of other conditions. More information about the Merger is contained in this Information Statement.

This Information Statement is first being mailed on or about [], 2012 to the holders of record of the Shares at the close of business on [], 2012.

We are not asking you for a proxy and you are requested not to send the Company a proxy. Please do not send in any Share certificates at this time.

This Information Statement is dated [], 2012.

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Annex 1 Amended and Restated Agreement and Plan of Merger

Annex 2 First Amendment to Amended and Restated Agreement and Plan of Merger

Annex 3 Form of Amended and Restated Charter of J. Alexander's Corporation

Annex 4 Opinion of Cary Street Partners LLC

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SUMMARY TERM SHEET

The following is a brief summary of certain information contained elsewhere in this Information Statement, including the Annexes to this Information Statement, or in the documents incorporated by reference herein. Reference is made to, and this summary is qualified in its entirety by, the more detailed information contained in this Information Statement, in the Annexes to this Information Statement and the documents incorporated by reference herein. Capitalized terms used in this summary and not defined herein have the meanings ascribed to them elsewhere in this Information Statement. You are urged to read this Information Statement and the Annexes to this Information Statement in their entirety.

The Companies

The Company. J. Alexander's is a Tennessee corporation with its principal executive offices located at 3401 West End Avenue, Suite 260, Nashville, Tennessee 37203. The Company's telephone number is (615) 269-1900. J. Alexander's operates 33 J. Alexander's restaurants in 13 states: Alabama, Arizona, Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, Louisiana, Michigan, Ohio, Tennessee and Texas. The Company is an upscale, contemporary American restaurant known for its wood-fired cuisine. The Company's menu features a wide selection of American classics, including steaks, prime rib of beef and fresh seafood, as well as a large assortment of interesting salads, sandwiches and desserts. J. Alexander's also has a full-service bar that features an outstanding selection of wines by the glass and bottle. For more information about the Company, visit www.jalexanders.com and see "Certain Information Concerning the Parties to the Merger Agreement" and "Available Information" elsewhere in this Information Statement.

Fidelity. Fidelity is a Delaware corporation with its principal executive offices located at 601 Riverside Avenue, Jacksonville, Florida 32204. Fidelity's telephone number is (904) 854-8100. Fidelity is a leading provider of title insurance, mortgage services and restaurant and other diversified services. Fidelity is the nation's largest title insurance company through its title insurance underwriters Fidelity National Title, Chicago Title, Commonwealth Land Title and Alamo Title that collectively issue more title insurance policies than any other title company in the United States. Fidelity also owns a 55% stake in American Blue Ribbon Holdings, an owner and operator of the O Charley's, Ninety Nine Restaurant, Max & Erma's, Village Inn, Bakers Square and Stoney River Legendary Steaks concepts. In addition, Fidelity owns a majority stake in Remy International, Inc., a leading designer, manufacturer, remanufacturer, marketer and distributor of aftermarket and original equipment electrical components for automobiles, light trucks, heavy-duty trucks and other vehicles. Fidelity also owns a minority interest in Ceridian Corporation, a leading provider of global human capital management and payment solutions. More information about Fidelity can be found at www.fnf.com.

Merger Sub. Merger Sub is a Delaware corporation and to date has engaged in no activities other than those incident to its formation, the Offer and the Merger. Merger Sub is an indirect, wholly owned subsidiary of Fidelity. The principal executive offices of Merger Sub are located at 601 Riverside Avenue, Jacksonville, Florida 32204. Merger Sub's telephone number is (904) 854-8100.

General

This Information Statement is being delivered in connection with (i) the merger of Merger Sub with and into the Company (the "Merger"), with the Company continuing as the surviving corporation and an indirect, wholly owned subsidiary of Fidelity (the "Surviving Corporation") and (ii) the amendment and restatement of the Charter of J. Alexander's, as the surviving corporation in the Merger, in the form attached as Annex 3 to this Information Statement (the "Charter Amendment"). In the Merger, each outstanding Share (other than Shares held by the Company or Merger Sub, which Shares will be cancelled and retired and will cease to exist without any consideration being delivered in exchange for those Shares) will be converted into the right to receive \$14.50 per Share in cash, without interest thereon (the "Merger Consideration"), subject to any applicable withholding and transfer taxes. A copy of the Restated Merger Agreement and the First

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Amendment are attached to this Information Statement as [Annex 1](#) and [Annex 2](#), respectively. A copy of the Charter Amendment is attached to this Information Statement as [Annex 3](#).

Pursuant to the Merger Agreement, Merger Sub commenced the Offer on August 6, 2012 for all the outstanding Shares at a price of \$13.00 per Share, net to the seller in cash without interest thereon, subject to any applicable withholding and transfer taxes. Under the terms of the Restated Merger Agreement, the Offer was set to expire at 5:00 p.m., New York City time, on Wednesday, September 5, 2012. On September 5, 2012, the parties to the Merger Agreement executed the First Amendment, whereby the Offer Price was increased from \$13.00 per Share to \$14.50 per Share. Additionally, pursuant to the terms of the First Amendment, Fidelity agreed to extend the Offer for at least 10 business days from the date of filing by Fidelity and Merger Sub of an amendment to their Schedule TO giving effect to the First Amendment. The Offer expired at 5:00 p.m., New York City time, on Wednesday, September 19, 2012. Pursuant to the Offer, Merger Sub purchased 4,451,627 Shares (excluding 321,133 Shares subject to guarantees of delivery), which represented approximately 73.75% of J. Alexander's issued and outstanding Shares. Pursuant to a subsequent offering period commencing on September 20, 2012 and expiring at 5:00 p.m., New York City time, on Wednesday, September 26, 2012, Merger Sub acquired an additional [] Shares, or approximately []% of the issued and outstanding Shares. Together with the Shares acquired during the Offer, Merger Sub owns a total of approximately []% of the issued and outstanding Shares.

The Merger

Background to the Offer and the Merger. For a description of events leading to the approval of the Merger Agreement by the Board of Directors (the [Board](#)), see [The Merger Background of the Offer and the Merger](#) below.

Approval by the Board. On July 30, 2012, the Board unanimously approved the Merger Agreement, the Offer and the Merger and determined that the terms of the Offer and the Merger are in the best interests of J. Alexander's and its shareholders. On September 5, 2012, the Board unanimously approved the First Amendment and determined that the terms of the Offer and the Merger, as amended by the First Amendment, are in the best interests of J. Alexander's and its shareholders. See [The Merger Recommendation of the Board](#) below for more information about the Board's recommendation.

Recommendation of the Board. The Board unanimously recommended that J. Alexander's shareholders accept the Offer and tender their Shares pursuant thereto. The Board unanimously recommends that you approve the Merger Agreement and the Merger and adopt the Charter Amendment. See [The Merger Recommendation of the Board](#) below for more information about the Board's recommendation.

Interests of Certain Persons in the Merger. J. Alexander's executive officers and the members of the Board may be deemed to have interests in the transactions contemplated by the Merger Agreement that may be different from or in addition to those of J. Alexander's shareholders generally. These interests may create potential conflicts of interest. The Board was aware of these interests and considered them, among other matters, in reaching its decision to approve the Merger Agreement and the transactions contemplated by the Merger Agreement. In addition, certain agreements, arrangements or understandings between J. Alexander's and certain of its executive officers and members of the Board are described further in [The Merger Interests of Certain Persons in the Merger](#) below.

Opinion of Cary Street Partners. Cary Street Partners LLC ([Cary Street Partners](#)) acted as financial advisor to the Company in connection with the Offer and the Merger. Cary Street Partners rendered its written opinion, dated September 5, 2012, to the Board to the effect that, as of the date of the opinion and based upon and subject to the factors and assumptions set forth therein, the \$14.50 per Share in cash to be paid to the holders of Shares (other than to Fidelity and its affiliates) pursuant to the Merger Agreement was fair from a financial point of view to such holders. The full text of the opinion of Cary Street Partners is set forth in [Annex 4](#) to this Information Statement and is incorporated herein by reference. You are urged to read the Cary Street Partners opinion carefully and in its entirety. See [The Merger Opinion of J. Alexander's Financial Advisor](#) below for more information about Cary Street Partners' fairness opinion.

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Purpose of the Merger. The purpose of the Merger is to enable Fidelity, through Merger Sub, to acquire the remaining equity interest in J. Alexander's not currently owned by Fidelity, Merger Sub or Fidelity's affiliates. The first step in the acquisition of J. Alexander's was the Offer by Merger Sub to acquire all of the outstanding Shares. The Merger is intended to complete the acquisition of any Shares not acquired by Merger Sub in the Offer. See *The Merger Purpose of the Merger* below for more information about the purpose of the Merger.

Conditions to the Merger. The respective obligations of Fidelity, Merger Sub and J. Alexander's to consummate the Merger and the transactions contemplated thereby are subject to J. Alexander's shareholders duly approving the Merger Agreement and the absence of a legal restraint on the Merger. See *The Merger Agreement* below for more information about the Merger Agreement and the conditions to the Merger.

Certain United States Federal Income Tax Consequences. The exchange of Shares for cash pursuant to the Merger will be a taxable transaction for United States federal income tax purposes and may also be a taxable transaction under applicable state, local, foreign or other tax laws. We urge you to consult your own tax advisor as to the particular tax consequences of the Merger to you. See *The Merger Certain United States Federal Income Tax Consequences of the Merger* below for more information regarding certain United States federal income tax consequences of the Merger.

Source and Amount of Funds

Fidelity estimates that the total amount of funds required to purchase all outstanding Shares pursuant to the Offer and to make payments in respect of outstanding in-the-money options will be approximately \$95 million. Fidelity will ensure that Merger Sub has sufficient funds to acquire all of the outstanding Shares pursuant to the Offer and to fulfill its obligations under the Merger Agreement. Fidelity will provide Merger Sub with the necessary funds from its and its subsidiaries' available cash and cash equivalents and, if necessary, through borrowings under its unsecured revolving bank credit facility under the Second Amended and Restated Credit Agreement, dated as of April 16, 2012, among Fidelity, Bank of America, N.A., as Administrative Agent, and the other financial institutions party thereto (the Revolving Credit Facility). See *Source and Amount of Funds* below.

Procedure for Receipt of Merger Consideration

Following the consummation of the Merger, a Letter of Transmittal (as defined below) and the Instructions (as defined below) for use in effecting the surrender of the Shares in exchange for payment of the Merger Consideration will be sent under separate cover to all holders of the Shares outstanding immediately prior to the Merger. The Letter of Transmittal must be completed as directed and returned with certificates representing Shares or with any other documentation required by the procedures for book-entry transfer set forth below under *Procedure for Receipt of the Merger Consideration*. Checks for the Merger Consideration (subject to any applicable withholding and transfer taxes) will be sent to J. Alexander's shareholders as soon as practicable after receipt of the Letter of Transmittal and the certificates or such other required documentation. See *Procedure for Receipt of the Merger Consideration* below for more information regarding receipt of Merger Consideration.

Dissenters' Rights

No dissenters' rights are available under Section 48-23-102 of the Tennessee Business Corporation Act (the TBCA) in connection with the Merger, unless the Shares are no longer listed on NASDAQ Global Market (NASDAQ) on the date of the consummation of the Merger. It is intended that the Shares will not be delisted from NASDAQ until after the consummation of the Merger. See *Dissenters' Rights* below for more information.

Table of Contents**Price Range of Shares; Dividends**

The Shares are listed on the NASDAQ under the symbol JAX. The following table sets forth, for the calendar periods indicated, the range of high and low sales prices for J. Alexander's common stock on NASDAQ.

	High	Low
Fiscal Year ended January 3, 2010:		
First Quarter	\$ 3.26	\$ 2.02
Second Quarter	5.99	2.505
Third Quarter	4.982	3.68
Fourth Quarter	4.90	3.47
Fiscal Year ended January 2, 2011:		
First Quarter	\$ 4.92	\$ 3.30
Second Quarter	5.56	4.06
Third Quarter	5.09	3.73
Fourth Quarter	5.55	4.10
Fiscal Year ended January 1, 2012:		
First Quarter	\$ 6.82	\$ 5.02
Second Quarter	7.00	5.45
Third Quarter	7.30	5.00
Fourth Quarter	7.05	5.36
Fiscal Year ending December 30, 2012:		
First Quarter	\$ 9.9601	\$ 6.20
Second Quarter	11.76	8.11
Third Quarter (through [], 2012)	[14.89]	[11.2318]

On June 22, 2012, the last full day of trading before the public announcement of the terms of the Prior Merger Agreement, the reported closing sales price of the Shares on NASDAQ was \$9.90 per Share. On August 3, 2012, the last full day of trading before the commencement of the Offer, the reported closing sales price of the Shares on NASDAQ was \$12.99 per Share. The Offer Price, in cash, without interest represents a premium of 63.2% over J. Alexander's average price per share for the 30 trading days immediately preceding the date of the Prior Merger Agreement and a premium of 51.2% over the closing price on the last full day of trading before the date of the Prior Merger Agreement. J. Alexander's has not paid a dividend on its common stock since January of 2008. Payment of dividends is currently prohibited by the terms of J. Alexander's bank loan agreement.

Amended and Restated Charter

Pursuant to the terms of the Merger Agreement, at the effective time of the Merger (the Effective Time), the charter of J. Alexander's, as the Surviving Corporation, shall be amended and restated to reflect the terms of the charter of Merger Sub, as in effect immediately prior to the Effective Time. See The Charter Amendment for reasons for and the general effect of the amendment to the J. Alexander's charter.

Available Information

The Shares are registered under the Securities Exchange Act of 1934, as amended (Exchange Act), and the Company is subject to the reporting requirements of that Act. In accordance with the Exchange Act, the Company is required to file periodic reports, proxy statements and other information with the Securities and Exchange Commission (the SEC) relating to the Company's business, financial condition and other matters. See Available Information below for additional information regarding the Company's reporting obligations.

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GENERAL

This Information Statement is being delivered to J. Alexander's shareholders in connection with the Merger and the Charter Amendment. As a result of the Merger, J. Alexander's will become a wholly owned subsidiary of Fidelity, and each outstanding Share (other than Shares held by J. Alexander's or Merger Sub, which will be cancelled and retired and will cease to exist without any consideration being delivered in exchange for those Shares) will be converted into the right to receive, subject to any applicable withholding and transfer taxes, the Merger Consideration. Shareholders are responsible for any transfer and similar taxes imposed in connection with the Merger and the transactions contemplated by this Information Statement. Any such taxes may be deducted from the Merger Consideration, unless satisfactory evidence of the payment of such taxes or an exemption therefrom is submitted with the Letter of Transmittal (as defined below). A copy of the Restated Merger Agreement and the First Amendment are attached to this Information Statement as Annex 1 and Annex 2, respectively.

The Merger and the Charter Amendment are, together, the second and final step in the acquisition of the Company by Fidelity. The first step was a cash tender offer by Merger Sub to acquire all of the outstanding Shares at \$14.50 per Share, net to the seller in cash without interest thereon, subject to any applicable withholding and transfer taxes. A total of 4,451,627 Shares were tendered pursuant to the Offer (excluding 321,133 Shares subject to guarantees of delivery). This amount represents approximately 73.75% of all issued and outstanding Shares. Pursuant to a subsequent offering period commencing on September 20, 2012 and expiring at 5:00 p.m., New York City time, on Wednesday, September 26, 2012, Merger Sub acquired an additional [] Shares, or approximately []% of the issued and outstanding Shares. Together with the Shares acquired during the Offer, Merger Sub owns a total of approximately []% of the issued and outstanding Shares. The Merger is intended to complete the acquisition of any Shares not acquired by Merger Sub pursuant to the Offer.

THE SPECIAL MEETING

The Special Meeting will be held on [], 2012, at 9:00 a.m., Nashville Time, at J. Alexander's Restaurant, 2609 West End Avenue, Nashville, Tennessee 37203, for the purpose of approving the Merger Agreement and adopting the Charter Amendment. As of the date of this Information Statement, the Board does not know of any other business to be brought before the Special Meeting.

Only holders of record of Shares outstanding at the close of business on [], 2012 (the Record Date) are entitled to receive notice of, and to vote at, the Special Meeting. On the Record Date, there were approximately [] holders of record, with [] Shares issued and outstanding.

The presence in person or by proxy of the holders of at least a majority of the issued and outstanding shares of J. Alexander's common stock will be necessary to constitute a quorum for the transaction of business at the Special Meeting. Abstentions and broker non-votes, if any, will be considered present for the purpose of establishing a quorum. Assuming a quorum is present, the affirmative vote of a majority of the outstanding Shares will be necessary to approve the Merger Agreement and adopt the Charter Amendment. In determining whether the Merger Agreement and the Charter Amendment have received the requisite number of affirmative votes under Tennessee law and the Company's charter, as amended to date, abstentions and broker non-votes, if any, will have the same effect as votes cast against approval of the Merger Agreement and adoption of the Charter Amendment.

Each Share is entitled to one vote. As a result of the consummation of the Offer and the subsequent offering period, Fidelity beneficially owns approximately []% of the aggregate voting power of the issued and outstanding Shares, and intends to attend the Special Meeting and vote all such Shares in favor of the proposal to approve the Merger Agreement and adopt the Charter Amendment. Accordingly, a quorum and the approval of

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the Merger Agreement and adoption the Charter Amendment at the Special Meeting is assured without the attendance or affirmative vote of any other shareholder.

You are not entitled to exercise dissenters' rights under Tennessee law as a result of the Merger unless the Shares are no longer listed on NASDAQ prior to the consummation of the Merger. See Dissenters' Rights below.

Representatives of KPMG LLP, the Company's independent auditors, are not expected to be present, make a statement or be available to respond to appropriate questions at the Special Meeting.

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PROCEDURE FOR RECEIPT OF THE MERGER CONSIDERATION

Surrender and Payment for Shares

Fidelity has advised the Company that it will appoint Computershare Trust Company, N.A. to act as exchange agent (the Exchange Agent) under the Merger Agreement. At or prior to the effective time of the Merger (the Effective Time), Fidelity will make available or cause to be made available to the Exchange Agent the funds necessary for the Exchange Agent to make the payments due to the holders of outstanding Shares immediately prior to the Effective Time.

Promptly after the Effective Time, the Exchange Agent will mail to each person who was, immediately prior to the Effective Time, a holder of record of issued and outstanding Shares a letter of transmittal (the Letter of Transmittal) and instructions (the Instructions) for use in effecting the surrender of Shares in exchange for payment of the Merger Consideration. For a shareholder to validly surrender Shares pursuant to the Merger, a properly completed and duly executed Letter of Transmittal and any other required documents must be received by the Exchange Agent at one of its addresses set forth on the Letter of Transmittal. Until surrendered, such Shares will represent only the right to receive upon such surrender or receipt the Merger Consideration. Upon the surrender of each such Share and subject to applicable transfer and withholding taxes, the Exchange Agent will (subject to applicable abandoned property, escheat and similar laws) pay to the holder the Merger Consideration. To the extent that amounts are deducted and withheld for any withholding and transfer taxes or under applicable escheat or similar laws, such amounts will be treated for all purposes as having been paid to the shareholder in respect of whom such deduction and withholding was made by the Exchange Agent. No interest will be paid or will accrue on the amount payable upon the surrender of any Shares. Shareholders are responsible for any transfer and similar taxes imposed in connection with the Merger and the transactions contemplated by this Information Statement. Any such taxes may be deducted from the Merger Consideration, unless satisfactory evidence of the payment of such taxes or an exemption therefrom is submitted with the Letter of Transmittal. None of the Exchange Agent, the Surviving Corporation or Fidelity will be liable to any holder of Shares for any amount paid to a public official pursuant to any applicable abandoned property, escheat or similar law.

Pursuant to the Merger Agreement any portion of the funds made available to the Exchange Agent for the payment of the Merger Consideration that remains unclaimed by the holders of Shares at any time more than 12 months after the Effective Time will be delivered to the Surviving Corporation (or its designee), and thereafter such former J. Alexander's shareholders may surrender such Shares to the Surviving Corporation (or such designee) and (subject to the terms of the Merger Agreement, abandoned property, escheat and other similar laws) receive the Merger Consideration, subject to any applicable withholding and transfer taxes.

At and after the Effective Time, there will be no registration of transfers of Shares which were outstanding immediately prior to the Effective Time on the stock transfer books of the Surviving Corporation. Subject to any applicable abandoned property, escheat or similar laws, if, after the Effective Time, Shares are presented to the Surviving Corporation (or such designee) for transfer, they will be canceled and exchanged as described in the preceding paragraphs.

Information Reporting and Backup Withholding

Payments made to shareholders in connection with the Merger and the transactions contemplated by this Information Statement will be subject to information reporting and may be subject to backup withholding. To avoid backup withholding, a U.S. shareholder that does not otherwise establish an exemption should complete and return the Form W-9 included in the Letter of Transmittal, certifying that such shareholder is a United States person, the taxpayer identification number provided is correct, and such shareholder is not subject to backup withholding. Non-U.S. shareholders should submit an appropriate and properly completed Internal Revenue Service (IRS) Form W-8 in order to avoid backup withholding. Such shareholders should consult a tax advisor to determine which Form W-8 is appropriate.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a shareholder's United States federal income tax liability, provided the required information is timely furnished in the appropriate manner to the IRS.

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DISSENTERS' RIGHTS

Shareholders are not entitled to dissent from and seek an appraisal for their Shares under Section 48-23-102 of the TBCA in connection with the Merger, unless the Shares are no longer listed on NASDAQ as of the date of the consummation of the Merger. If following the consummation of the Offer, J. Alexander's cannot satisfy the requirements for continued listing on NASDAQ and the Shares are delisted from NASDAQ prior to the date of the consummation of the Merger, then holders of the Shares not tendered in the Offer will be entitled to dissenters' rights in connection with the Merger. In that case, those holders will receive additional information concerning dissenters' rights and the procedures to be followed in connection therewith before they have to take any action relating thereto.

THE MERGER

Background of the Offer and the Merger

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 possible strategic alternatives. 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 strategic alternatives 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. In connection with its periodic evaluations of such strategic alternatives, the Board 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 Offer is the result of an evaluation of strategic alternatives that began in the fall of 2011. Throughout the events described below, the Board was kept regularly informed of developments.

In September 2011, senior management of the Company noted factors affecting the Company, including high costs associated with public company compliance given the Company's size, and uncertainty as to whether the market appropriately valued the Company's long-term strategy, which focused on a more deliberate pace of growth than other restaurant concepts. Lonnie J. Stout II, the Chief Executive Officer of J. Alexander's, consulted Bass, Berry & Sims PLC (Bass, Berry), J. Alexander's legal counsel, and independent members of the Board and determined, based on these conversations, that it would be advisable to consult a financial advisor concerning the Company's strategic position.

Mr. Stout contacted Mr. Kip Caffey of Cary Street Partners, a financial advisory firm that had performed advisory services for the Company previously and was familiar with the Company's business. Cary Street Partners had been most recently engaged by the Company in 2009 in connection with a stock repurchase transaction by the Company during that year. Mr. Caffey discussed with Mr. Stout conditions in the mergers and acquisitions market and other recent restaurant sale transactions. Mr. Caffey suggested that the Company have preliminary discussions with Party A, a private equity firm that was known to have previously invested in restaurant companies, to gauge that firm's interest in a potential strategic transaction or to seek its views as to market conditions for a potential strategic transaction involving the Company. After consulting with the independent members of the Board, Mr. Stout requested that Cary Street Partners contact Party A to arrange a meeting.

In addition, Mr. Stout proposed to contact a second private equity firm that was then an investor in the Company, Party B, to discuss any potential interest that such firm may have in a possible strategic transaction.

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On October 4, 2011, Mr. Stout met on a confidential basis with a representative of Party A, the private equity firm contacted by Mr. Caffey. The representative shared his personal views concerning the potentially favorable opportunities to sell a restaurant company in the current private equity environment.

Mr. Stout also met on a confidential basis with a representative of the second private equity firm, Party B. The representative of Party B indicated that his firm may be interested in pursuing discussions about its interest in a potential strategic transaction with the Company.

Based on his impressions of these contacts, Mr. Stout again consulted Bass, Berry and Cary Street Partners, including Mr. Caffey and Mr. Charles Hurt, a senior investment banker at Cary Street Partners with a focus on restaurant industry transactions. Based on the advice of these advisors, Mr. Stout concluded that it would be prudent for the Company to pursue additional confidential contacts with selected parties that might be interested in a strategic transaction with the Company, in order to ascertain whether a transaction might be available that would maximize the value of the Company to its shareholders. Mr. Stout informed the Board at its regular meeting on October 24, 2011, of his contacts and his recommendation that the Company continue working with Cary Street Partners.

On November 4, 2011, representatives of Cary Street Partners reviewed information concerning the Company on a confidential basis with Party A. Based on these conversations, Cary Street Partners communicated to senior management of the Company its view that financial buyers may potentially have an interest in a strategic transaction involving the Company. The representative of Party A later stated that his firm was not interested in engaging in discussions concerning the acquisition of the Company.

On November 18, 2011, senior management of the Company met with Cary Street Partners to discuss a strategy to pursue a transaction that would maximize the value of the Company to its shareholders.

In late November and early December 2011, at the request of senior management of the Company in consultation with the independent members of the Board, Cary Street Partners contacted on a confidential basis selected private equity firms that were targeted for their experience in investing in middle market restaurant companies. At this time in the process, the Company considered the contacts to be exploratory in nature, and the Company did not deem it advisable to contact any strategic buyers, as these were competitors of the Company. A total of six additional private equity firms were contacted to ascertain if they would be interested in an introductory meeting with the Company or receiving confidential information concerning the Company and its business.

On December 6 and 7, 2011, representatives of the Company and Cary Street Partners met separately with four private equity firms on a confidential basis to introduce representatives of those firms to senior management of the Company and discuss the Company and its business.

During December 2011, after these meetings, the Company began responding to due diligence requests from four interested private equity firms that signed confidentiality agreements with the Company.

On December 27, 2011, Mr. Stout met with representatives of Cary Street Partners and Bass, Berry to discuss engaging Cary Street Partners on a formal basis to contact additional potential financial and strategic buyers and to discuss the Company's response to potential interest from multiple parties and provision of due diligence information to potential interested parties. The Company and Cary Street Partners began preparing additional materials to be shared with potential buyers.

In January 2012, the Company continued to provide information to multiple interested private equity firms. Senior management of the Company and Cary Street Partners also discussed additional parties that might be contacted concerning interest in a possible transaction. The Company sought to balance its desire to contact potential buyers, with its desire for strict confidentiality and a carefully controlled process. The concerns over

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confidentiality arose from competitive concerns and concerns over employee retention, and from a strategic perspective, from a concern that conducting a widespread process might result in a leak of information. Given the level of interest initially expressed by multiple parties and the concerns about confidentiality and a carefully controlled process, the Company's senior management concluded that it would recommend to the Board a confidential sale process which would involve contacting targeted private equity firms and strategic bidders deemed the most likely to be interested in, and capable of financing and closing, a transaction.

On January 24, 2012, the Board held a meeting to discuss a strategy to pursue available strategic alternatives, including the sale of the Company. The Board also considered the qualifications and experience of Cary Street Partners in the restaurant industry, and engaged Cary Street Partners on a formal basis pursuant to a signed engagement letter as the Company's exclusive financial adviser.

After this January 2012 Board meeting, commencing in late January and continuing through February, Cary Street Partners contacted additional financial parties and certain strategic parties to explore their interest in pursuing a transaction with the Company.

In late January and February 2012, Cary Street Partners also continued to work closely with management of the Company to respond to the due diligence requests of potential buyers, including holding in-person meetings with management and selected potential interested parties, Party B and an additional private equity firm, Party C.

On February 21, 2012, representatives of Cary Street Partners, at the request of senior management of the Company, contacted representatives of Fidelity to explore Fidelity's interest in pursuing a transaction with the Company.

In March 2012, the Company set up an online data site to facilitate due diligence review by multiple parties.

In March 2012, the Company was contacted by Party D, a restaurant portfolio company of a private equity firm. A representative of the Company referred Party D to Cary Street Partners for further discussion and due diligence.

On March 7, 2012, the Company received an unsolicited letter from a private equity firm, Party E, expressing interest in a potential transaction and indicating a range of values for the Company that implied a price of \$7.26 to \$7.57 per share.

On March 9, 2012, the Company received a nonbinding indication of interest from Party C to acquire the Company at a price of \$9.10 per share in cash.

On March 12, 2012, the Company received a nonbinding indication of interest from Party B to acquire the Company at a price of \$7.50 per share in cash.

On March 14, 2012, the Board held a meeting, which included representatives of Cary Street Partners and Bass, Berry. The Board discussed the indications of interest received to date and determined that Cary Street Partners should contact the parties that had submitted indications of interest to indicate that the Board deemed the offers inadequate based on the Board's assessment of the value of the Company's Common Stock. Thereafter, Cary Street Partners contacted both such parties, as well as the unsolicited party to communicate that the Board believed that the respective offers did not represent an acceptable valuation for the Company. Cary Street Partners asked each party to improve its proposal.

On March 15, 2012, Mr. Hurt spoke with Mr. Brent Bickett, Executive Vice President of Corporate Finance for Fidelity, concerning Fidelity's interest in entering into a confidentiality agreement with the Company. Fidelity was contacted as a prospective strategic acquirer based on its known interest in acquiring full service restaurant concepts and its sufficient financial resources to consummate a potential transaction, in each instance,

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as demonstrated at that time by its agreement to acquire O Charley's Inc. O Charley's Inc. was also identified (prior to its agreement to be acquired by Fidelity) as a prospective strategic acquirer based on, among other things, the potential for strategic synergies from a combination with a full service restaurant operating company headquartered in Nashville with experience in the upscale dining segment. It was anticipated that a transaction with Fidelity could potentially generate similar strategic synergies.

Effective March 18, 2012, the Company entered into a confidentiality agreement with Fidelity and its affiliates.

On March 19, 2012, representatives of the Company and Fidelity met in Jacksonville, Florida for an introductory meeting and due diligence session. Representatives of Cary Street Partners attended that meeting.

On March 20, 2012, Mr. Bickett indicated Fidelity's potential interest in pursuing conversations with the Company.

On March 21, 2012, Mr. Stout and Mr. Bickett spoke concerning Fidelity's potential interest.

On March 24, 2012, Party C submitted a revised nonbinding indication of interest at \$10.00 per share.

On March 26, 2012, Fidelity submitted to the Company an initial nonbinding indication of interest to purchase in a tender offer 50.1% of the outstanding common stock of the Company at \$10.75 per share in cash, and to pay a special dividend of \$2.00 per share in cash on each remaining share of outstanding common stock of the Company in a transaction that would involve combining the operations of the Company with the restaurant operations of Fidelity's affiliates. Fidelity proposed that holders of the remaining outstanding common stock of the Company would own a 5% economic interest in the combined company.

On March 30, 2012, the Company received an initial nonbinding indication of interest from Party D to acquire all the stock of the Company for \$10.00 per share in cash.

During the month of April, the Company continued to provide due diligence information to various parties and to enter into non-disclosure agreements with additional interested parties.

On April 3, 2012, Mr. Stout met with Mr. Hazem Ouf, the President and CEO of American Blue Ribbon Holdings, LLC, Fidelity's majority-owned restaurant operating company, which this background refers to as ABRH, for an introductory dinner in Nashville. Mr. Ouf and Mr. Stout discussed in general terms the future management structure of a combined organization. Mr. Stout indicated to Mr. Ouf that he was not seeking assurances concerning his own employment, but was willing to be flexible in connection with the transition of management of the Company upon the closing of a potential transaction with Fidelity, and that he would be willing to provide services to the Company on a transitional basis or a longer-term basis, in order to facilitate a transaction. No specific employment terms were discussed.

On April 4, 2012, Fidelity sent to Cary Street Partners a form of confidentiality agreement containing provisions with respect to the Company's receipt of confidential information of ABRH.

On April 5, 2012, management of the Company met with representatives of ABRH and Fidelity, at the Company's offices in Nashville, Tennessee, for the purposes of making management introductions and conducting additional due diligence on a mutual basis. Representatives from Cary Street Partners attended.

On April 6, 2012, Mr. Stout had further discussions with Mr. Bickett concerning the proposed price and terms for a transaction between the Company and Fidelity.

On April 9, 2012, the Company hosted a management presentation and due diligence session for representatives of Party C and its bank financing sources in Nashville at the offices of Bass, Berry. Representatives of Cary Street Partners attended that meeting.

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On April 10, 2012, effective April 9, 2012, the Company and ABRH entered into a confidentiality agreement obligating the Company to maintain in confidence the confidential information provided to the Company by ABRH for the purposes of evaluating the business combination proposed by Fidelity.

On April 10, 2012, at the request of the senior management team of the Company and the Board, Cary Street Partners communicated to each of the three parties that had submitted favorable indications of interest (i.e., Party C, Party D and Fidelity) that the Board did not deem the prices indicated to be sufficient, but that if indications of interest were submitted with improved price terms, then the Company would consider entering into negotiations regarding a specific transaction.

On April 12, 2012, the Company received a revised nonbinding indication of interest from Fidelity at an increased tender offer price of \$11.25 per share and a special dividend amount of \$2.35 per share in cash, with the transaction structure described above. The shareholders of the Company would own a 6% economic interest in the combined company under the revised indication of interest.

On April 14, 2012, Mr. Stout contacted Party C to request that Party C increase the price term above \$11.00 per share.

On April 16, 2012, the Company received an offer from Party C at \$11.25 per share in cash, and requesting a 30-day period of exclusive negotiations.

On April 17, 2012, the Company received an offer purported to be a final offer from Fidelity at \$12.00 per share in cash, to purchase in a tender offer 50.1% of the outstanding common stock of the Company, and to pay a special dividend of \$3.00 per share in cash on each remaining share of outstanding common stock of the Company in a transaction that would involve combining the operations of the Company with ABRH's restaurant operations. Fidelity proposed that holders of the remaining outstanding common stock of the Company would own a 6% economic interest in the combined company. Fidelity also requested a 30-day period of exclusivity to negotiate definitive agreements with the Company.

On April 17, 2012, the Board held a meeting to review and discuss the indications of interest received to that date. Representatives of Cary Street Partners and Bass, Berry participated. In each case, the Board considered the value of the consideration offered, the nature of the potential buyer and the financing sources and timing. The Board determined that the Fidelity offer represented the greatest value to the shareholders, based on the higher value of the cash portion of the consideration and the opportunity for J. Alexander's shareholders to participate in continuing ownership of a much larger combined company, when the Company's operations would be combined with those of ABRH. Based on this assessment and an understanding of Fidelity's financing capabilities and its ability to complete a transaction on an expeditious basis and without new financing, the Board unanimously approved entering into an exclusivity agreement with Fidelity. Prior to the Company's entering into the exclusivity agreement with Fidelity, a representative of Cary Street Partners informed Party C that the Company intended to enter into an exclusivity agreement with another party.

Effective April 18, 2012, the Company entered into an exclusivity agreement with Fidelity that provided that the Company would negotiate exclusively with Fidelity for a 30-day period. After this date, Fidelity continued to engage in due diligence discussions and review with representatives of Cary Street Partners and the Company. Mr. Stout and Mr. Bickett spoke periodically concerning the progress of the transaction.

On April 26, 2012, Mr. Stout met in Jacksonville, Florida for an introductory dinner with Mr. William Foley II, the Executive Chairman of the Board for Fidelity, George P. Scanlon, Chief Executive Officer of Fidelity, Raymond R. Quirk, President of Fidelity and Mr. Bickett. The purpose of the meeting was to introduce Mr. Stout to Messrs. Foley, Scanlon and Quirk. Mr. Foley and Mr. Stout discussed the background and history of Fidelity and Fidelity's interest in the restaurant industry, including its investment in and operation of ABRH and ABRH's restaurant subsidiaries. Mr. Stout did not engage in negotiations, or discuss the status of ongoing negotiations, regarding Fidelity's proposed transaction with the Company at this meeting.

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On April 27, 2012, senior management of the Company met with representatives of Fidelity, ABRH and ABRH's other significant equityholder, Newport Global Advisors, at the offices of Bass, Berry in Nashville. Representatives of Cary Street Partners and Bass, Berry were present. Each of the Company and ABRH made presentations concerning its business. ABRH also presented information concerning its pro forma capital structure, assuming the completion of the transaction with the Company on the terms proposed by Fidelity. Representatives of Fidelity indicated they were continuing to work on the structure for the proposed transaction and expected to refine the structure for the transaction. The parties discussed their willingness to consider structural changes, so long as there was no significant economic impact to the consideration to be received by the shareholders of the Company.

On May 2, 2012, members of the Company's management, representatives of Cary Street Partners and Bass, Berry, members of Fidelity's management and representatives of Weil, Gotshal & Manges LLP (Weil), legal counsel to Fidelity, and J.P. Morgan, transaction structuring adviser to Fidelity, participated in a conference call. They discussed the details of a revised proposed structure, which did not involve a tender offer as initially proposed due to concerns that a tender offer structure would not be practicable in a transaction that contemplated the shareholders of the Company retaining an equity interest in the combined operations of the Company and ABRH.

On May 14, 2012, Weil sent Bass, Berry an initial draft of a merger agreement that contemplated a multi-step transaction, beginning with a merger followed by asset contribution and restructuring transactions, that would have resulted in the formation of a new publicly-traded company that would be the managing member of, and hold an interest in, the combined restaurant operations of ABRH and the Company.

On May 18, 2012, the period of exclusivity pursuant to the confidentiality agreement between the Company and Fidelity expired. After this date, the Company continued to focus on the proposed transaction with Fidelity due to its belief that a transaction with Fidelity would be executed at a reasonably prompt date and that the Fidelity proposal continued to represent the best value for shareholders. After this date, Cary Street Partners reestablished contact with Party B and Party C, in an effort to maintain contact in the event the Fidelity transaction was not executed.

On May 20, 2012, Bass, Berry provided to Weil a responsive draft including the Company's comments to the draft merger agreement, which raised the following material issues: the absence of a go-shop period in Fidelity's initial draft merger agreement and the need for additional latitude for the Company's Board to exercise its fiduciary duties with respect to unsolicited acquisition proposals that may arise during the no-shop period to follow a go-shop period; the timing of closing the proposed transaction; the maintenance of employee benefits and the payment of certain severance and stay bonuses for the Company employees, other than executive officers, post transaction; Fidelity's agreement to honor the terms of employment, severance and retirement agreements between the Company and its executive officers; the terms of conditions precedent to closing the proposed transaction; the termination rights of the parties and the applicable termination fees; that disputes between the parties under the merger agreement should be governed by Tennessee law and conducted in a Nashville, Tennessee venue; and that the Company should have an express right to demand specific performance with respect to Fidelity's obligations under the merger agreement.

The parties and their representatives continued their due diligence efforts, including legal due diligence. Mr. Stout maintained contact with Mr. Bickett periodically concerning the transaction and the Company's business.

On May 24, 2012, Weil provided to Bass, Berry a responsive draft including Fidelity's comments to the draft merger agreement which, in response to the revisions proposed by Bass, Berry on May 20, 2012, rejected the Company's request for a go-shop period, for the applicability of Tennessee law and venue, providing instead that Delaware law and venue would govern, and for the Company to have an express right to demand specific performance of Fidelity's obligations under the merger agreement.

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On May 25, 2012, Bass, Berry provided to Weil and Fidelity a list of comments on the draft merger agreement related to the extended timeframe and complexity of Fidelity's proposed transaction structure and the Company's need for certainty of closing. Bass, Berry expressed to Weil and Fidelity that the parties should address and reach an understanding with respect to certain material differences identified in Bass, Berry's draft of May 20, 2012, prior to engaging in further revisions to the draft merger agreement. Representatives of Weil and Bass, Berry participated on a conference call held on May 27, 2012, to discuss the comments. Weil indicated that Fidelity would be willing to accept certain of the Company's positions, including permitting the Company to have a 30-day go-shop right following the execution of the merger agreement.

On May 29, 2012, Bass, Berry provided to Weil a responsive draft of the merger agreement consistent with the parties' discussions on May 27, 2012.

During the week of May 28, 2012, the parties continued to engage in due diligence review, including legal due diligence.

On May 30, 2012, representatives of the Company, Fidelity, J.P. Morgan, Weil, Bass, Berry and Cary Street Partners participated on a conference call to discuss the merger and details concerning the proposed transaction structure. The parties also held a due diligence call on that date.

On June 1, 2012, Weil provided to Bass, Berry a responsive draft of the merger agreement including Fidelity's comments. Differences remained in relation to certain terms and conditions of a no-shop period that would follow a 30-day go-shop period; the terms and conditions of termination rights for each party and termination fees payable by the Company; as well as the governing law and venue provisions and the Company's right to require specific performance of Fidelity's obligations under the merger agreement. Also on June 1, 2012, Weil provided to Bass, Berry a draft of an asset contribution agreement.

On June 4, 2012, Bass, Berry provided to Weil a responsive draft of the merger agreement, including the Company's comments. The terms of the governing law, venue and specific performance provisions remained the material outstanding issues.

On June 6, 2012, Weil provided to Bass, Berry a responsive draft of the merger agreement, including Fidelity's comments to Bass, Berry's draft of June 4, 2012, accepting certain of the Company's proposals made in the June 4 draft, including the Company's right to require specific performance of Fidelity's obligations under the merger agreement. Also on June 6, 2012, Weil provided to Bass, Berry a draft unit exchange agreement, which included proposed terms and conditions for any exchange of units of limited liability company interest in the Operating Company for stock in American Blue Ribbon Holdings, Inc. (NewCo), which would be a public company and the ultimate holding company entity for the proposed transaction, and a draft charter for NewCo including proposed terms of various classes of common stock of NewCo.

On June 7, 2012, Bass, Berry and Weil discussed the draft of the merger agreement and certain terms about which the parties had not yet agreed and ultimately reached agreement with respect to the differences identified in their respective drafts of June 4, 2012 and June 6, 2012, including that disputes between the parties under the merger agreement would be governed by Tennessee law and conducted in a Nashville, Tennessee venue. Later that day, Bass, Berry provided to Weil comments to the merger agreement consistent with the positions agreed to earlier that day as well as comments to the draft contribution agreement.

On June 8, 2012, Weil provided to Bass, Berry a revised draft of the merger agreement consistent with the parties' agreements on June 7, 2012, and drafts of certain ancillary agreements, including an amended and restated operating agreement of the Operating Company and revised drafts of a contribution agreement. Open items remained regarding Fidelity's agreement to assume an obligation to pay certain severance and stay bonuses for certain non-executive Company employees, in the event of those employees' termination post-transaction and Fidelity's willingness to honor the terms of employment, severance and retirement agreements between the Company and its executive officers.

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Weil provided drafts of additional ancillary documents to Bass, Berry during the week of June 11, 2012, including documents related to the capitalization of NewCo, a post-merger restructuring of the Company's subsidiaries and the contribution of those subsidiaries to the Operating Company post-merger in order to result in Fidelity's proposed holding company structure. Representatives of Weil and Bass, Berry participated on several conference calls during this week to negotiate terms of these ancillary agreements.

On June 11, 2012, the Board met to consider on a preliminary basis the analysis of Cary Street Partners concerning the Fidelity transaction and to discuss the status of the negotiations. Representatives of Cary Street Partners participated and presented their preliminary financial analysis based on the current status of the negotiations.

As part of its due diligence, Fidelity raised questions regarding the Company's post-closing obligations under the salary continuation agreements and employment agreements of certain Company executives with the Company. On June 14, 2012, Mr. Bickett indicated to Mr. Stout that Fidelity had continuing questions concerning those agreements, and would request that those executives waive their rights to certain benefits under those agreements. Among the items Mr. Bickett requested were that each Company executive agrees to amend the definition of "good reason" in the executive's employment agreement such that the executive would not be permitted to terminate his employment for "good reason" if he was subsequently assigned to a similar position at the Operating Company, in order to limit the circumstances under which severance payments would be available to the executive; that the executives agree to fix the definition of "base salary" under the salary continuation agreements as of the date of the merger so that the executive's retirement benefits tied to "base salary" would become fixed at that time and no longer subject to increases thereafter; and that the executives agree to waive the obligation of the Company and its successor entity under the salary continuation agreements to fund a rabbi trust for each executive in an amount determined based on anticipated future retirement benefits under the salary continuation agreements. Mr. Bickett informed Mr. Stout that Fidelity believed these amendments were necessary to alleviate uncertainty as to future obligations under the salary continuation agreements and employment agreements. The effect of the requested changes was to diminish the potential benefits available to executives under both the salary continuation agreements and the employment agreements.

On June 15, 2012, Weil and Bass, Berry continued to negotiate the terms of the merger agreement and the ancillary agreements. Mr. Bickett contacted Mr. Stout and stated that Fidelity would not be inclined to enter into a definitive agreement with the Company unless Mr. Stout and certain other Company executives agree to the terms proposed by Mr. Bickett and relinquished certain rights under their salary continuation agreements and employment agreements with the Company as described above.

On June 16, 2012, Weil provided to Bass, Berry revised drafts of previously exchanged ancillary documents and certain additional ancillary documents.

On June 17, 2012, Weil provided to Bass, Berry a revised draft of the merger agreement which included certain revisions keyed to revised ancillary documents and a revised draft of an exchange agreement.

Discussions between Weil and Bass, Berry continued regularly throughout the week of June 18, 2012, as the parties negotiated the remaining terms of the merger agreement and all ancillary documents, including the governance rights of Fidelity and Newport Global Opportunities Fund, LP, Fidelity's co-investor, with respect to NewCo and the Operating Company post-merger, and the effect those rights would have on the Company's shareholders that would receive shares in NewCo.

On June 18, 2012, Mr. Stout and Mr. Bickett further discussed Fidelity's requested amendments to the Company executives' salary continuation agreements and employment agreements as described above. Mr. Stout reiterated his concern that the Company did not have the right to diminish the executives' future benefits under those agreements and that the executives may not be willing to agree to the amendments as proposed by Fidelity.

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On June 19, 2012, Bass, Berry provided to Weil a draft letter agreement with respect to the amendments requested by Fidelity to those certain Company executives' salary continuation agreements and employment agreements.

On June 20, 2012, Weil provided to Bass, Berry a revised draft of the executive letter agreements reflecting Fidelity's proposed amendments to the Company executives' employment and salary continuation agreements proposed by Fidelity. Weil also provided drafts of additional ancillary documents.

On June 20, 2012, with the parties having reached agreement on the material terms of the merger agreement and the ancillary agreements, Bass, Berry, on behalf of the Company, engaged in negotiations with the executives and Weil concerning the terms of the draft executive letter agreements. Principal issues negotiated included the terms of a suspension of the obligation under the salary continuation agreements of the Company (and Fidelity post-merger) to fund a rabbi trust for each executive with respect to future retirement benefits under those agreements and, if that obligation was suspended, the terms upon which Fidelity was willing to guarantee the obligations of payment under the salary continuation agreements. These discussions and negotiations continued through June 22, 2012.

In the course of discussions during June 2012, as described above, Fidelity indicated to Mr. Stout in his capacity as an employee of the Company that Fidelity desires that its subsidiary, the Operating Company, employ Mr. Stout in its restaurant business after the closing, but that Fidelity insisted that Mr. Stout's and other executives' employment agreements and salary continuation agreements be modified as described above. With respect to Mr. Stout, these amendments required Mr. Stout to waive his right to terminate his employment for good reason following the proposed transactions and, in turn, waive receipt of severance payments in an approximate amount of \$1.25 million to which, but for the amendments, he would have been entitled. No definitive proposals were or have been offered by Fidelity with respect to the terms of Mr. Stout's future employment, or that of any of the other Company executives, beyond the terms reflected in his revised salary continuation agreement and employment agreement with the Company, as amended in June 2012 at the request of Fidelity to diminish certain rights of Mr. Stout and the other executives. Based on the amendments made to Mr. Stout's employment agreement to diminish the scope of the good reason definition and thereby diminish Mr. Stout's ability to terminate employment and obtain severance payments for good reason under his employment agreement, as described above, it is anticipated that after the closing of the proposed transactions, Mr. Stout may be reassigned to a position with the Operating Company at its main corporate office in Nashville, Tennessee or its upscale dining division office in Nashville, Tennessee, with similar duties and responsibilities as Mr. Stout's duties and responsibilities prior to the closing (subject to certain changes), and with substantially similar salary and benefits (with equity to be appropriate to his level in the organization). However, Fidelity and its affiliates are under no obligation whatsoever to continue the employment of Mr. Stout or any of the Company's other executive officers following the transactions, subject to the payment of any applicable severance amounts or benefits upon a termination of employment, as modified by the executive letter agreements discussed above. In addition, as described under "The Merger - Interests of Certain Persons in the Merger - Summary of Benefits Continuation Period" below, the Prior Merger Agreement (and the Restated Merger Agreement) provides that for a period of twelve months after the closing of the proposed transactions, Fidelity will cause the Company to provide its continuing employees with (i) base salary and target cash bonus opportunities substantially comparable in the aggregate with employee compensation (but excluding equity opportunities, change in control bonuses and retention agreements) provided to similarly situated employees of the Operating Company and (ii) employee benefits substantially comparable in the aggregate with employee benefits (but excluding equity opportunities) provided to similarly situated employees of the Operating Company. Therefore, it is anticipated that Mr. Stout, and other executive officers whose employment is continued following the closing of the proposed transactions, will receive salary and benefits substantially similar to his salary and benefits received prior to the closing of the proposed transactions.

On June 21, 2012, the Board convened a meeting to discuss the status of the possible transaction with Fidelity. Representatives of Bass, Berry and Cary Street Partners participated. Cary Street Partners presented an

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updated analysis and fairness opinion presentation and a draft of its fairness opinion letter. The Board reviewed the process for pursuing strategic alternatives, including that, from the beginning of the process until that point: Cary Street Partners contacted 16 potential financial buyers and seven potential strategic buyers; the Company entered into 10 confidentiality agreements and provided confidential information to those parties; and the Company received indications of interest from four parties with which the Company had engaged in discussions and also received an unsolicited nonbinding indication of interest from a potential financial buyer. The Board also considered that the Company had successfully negotiated a go-shop provision in the Prior Merger Agreement, which would permit the Company to continue to solicit superior proposals from other potential buyers for 30 days after the execution of the Prior Merger Agreement and to terminate the Prior Merger Agreement to accept a superior proposal. Cary Street Partners had confirmed to the Board that Cary Street Partners had no prior relationship with Fidelity or its affiliates. After discussion, the meeting was adjourned until June 22, 2012, pending finalization of the transaction documents.

On June 22, 2012, the Board reconvened its meeting of June 21, 2012. Representatives of Cary Street Partners and Bass, Berry participated and updated the Board on the finalization of the transaction documents. Cary Street Partners, after confirming to the Board that it had no business relationship with Fidelity, delivered its fairness opinion to the Board verbally, which was later confirmed in writing, that, based upon and subject to the matters described in its fairness opinion, as of June 22, 2012, the merger consideration to be received by the holders of the Company's Common Stock, other than Fidelity or its affiliates, pursuant to the Prior Merger Agreement was fair, from a financial point of view, to such holders of the Company's Common Stock. After further deliberations, the Board, after due consideration of its fiduciary duties under applicable law, resolved by unanimous vote that the Prior Merger Agreement, the ancillary agreements and the other agreements contemplated by any of the foregoing (collectively, the Prior Transaction Agreements) and the transactions contemplated thereby (collectively, the Prior Transactions), were approved and declared advisable, fair to, and in the best interests of the Company and its shareholders, the form, terms, provisions, and conditions of the Prior Transaction Agreements were adopted and approved, and the consummation of the Prior Transactions was approved. The Board recommended, subject to the ability of the Company to make a Recommendation Withdrawal (as defined in the Prior Merger Agreement) pursuant to and in accordance with the Prior Merger Agreement, that the shareholders of the Company approve the Prior Merger Agreement, the asset contribution agreement and the exchanges contemplated by other Prior Transaction Agreements.

The Prior Merger Agreement, a plan of restructuring, an asset contribution agreement and an exchange agreement were executed by Fidelity, the Operating Company, certain of their affiliates that are parties thereto, and the Company after the close of business on June 22, 2012. The executives and the Company also executed the letter agreement amendments to their employment agreements and salary continuation agreements. On June 25, 2012, before the opening of trading on NASDAQ, the Company issued a press release announcing the execution of the Prior Merger Agreement.

On June 23, 2012, the 30-day go-shop period commenced pursuant to the Prior Merger Agreement. During the go-shop period, the Company actively solicited interest from both strategic and financial parties in a transaction that would be superior to the transactions contemplated by the Prior Merger Agreement. Cary Street Partners contacted all the strategic parties that were contacted prior to that date and contacted 59 additional parties, consisting of 16 strategic and 43 financial parties. During the go-shop period, five additional parties entered into confidentiality agreements with the Company, and the Company provided confidential diligence information to these parties as well as Party C, which remained interested in pursuing a transaction. The Company and Cary Street Partners targeted potentially interested buyers known for their interest in acquisitions in the restaurant sector or of small cap companies. The strategic parties were identified based on the industry segments in which such parties participate, known interest in acquisitions of additional restaurant concepts and their perceived financial capability. The financial parties were identified based on the amount of funds under management, prior investment experience in relevant industries, and an ability to consummate a transaction.

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On June 25, 2012, Cary Street Partners contacted Party F, a strategic party. On June 29, 2012, Cary Street Partners discussed with Party F the form confidentiality agreement and its potential interest in receiving diligence information. Effective June 29, 2012, the Company and Party F entered into a confidentiality agreement.

On June 25, 2012, Cary Street Partners contacted Party G, a strategic party, and discussed its potential interest in receiving diligence information about the Company. Effective July 2, 2012, the Company and Party G entered into a confidentiality agreement. Thereafter, both Party F and Party G began due diligence review and remained in regular contact with Cary Street Partners concerning a potential transaction. The other parties that executed confidentiality agreements during the go-shop period engaged in more limited due diligence.

On July 3, 2012, the Company issued a press release announcing the continuation of the go-shop period under the Prior Merger Agreement and describing the Company's sales process leading up to its entry into a definitive Prior Merger Agreement.

On July 7, 2012, Mr. Foley discussed with Mr. Stout on a preliminary basis the possibility that Fidelity would offer to amend the Prior Merger Agreement to provide for an all-cash transaction in a tender offer structure. Mr. Foley also spoke with Mr. Stout on July 15, 2012, and indicated Fidelity was pursuing this concept and that Mr. Bickett may contact Mr. Stout.

On July 12, 2012, Party G and its representatives had a conference call with the Company's management and Cary Street Partners.

On July 13, 2012, Party F met with the Company's management in Nashville to discuss the Company and the potential transaction. Representatives of Cary Street Partners and Bass, Berry participated.

On July 19, 2012, the Company received a proposal from Party G for an all-cash, one-step merger transaction at \$12.60 per share.

On July 20, 2012, the Company received a proposal from Party F for an all-cash, one-step merger or a tender offer for all outstanding shares of the Company's common stock, each at \$12.00 per share. At the request of senior management in consultation with the Board, Cary Street Partners contacted representatives of Party F to communicate that the Board would not consider the proposal to be a superior proposal because the price term was not superior.

On July 21, 2012, Party F increased its proposal to \$12.50 per share.

On July 21, 2012, Mr. Bickett proposed to Mr. Stout an amendment to the Prior Merger Agreement to change the form of the transaction with Fidelity to an all-cash tender offer at a price of \$12.00 per share for all shares of the Company's common stock.

On July 22, 2012, the Board held a meeting to discuss the two proposals received during the go-shop period. Based on both parties' detailed proposals for all-cash transactions at prices superior to \$12.00 per share, and evidence of financing capabilities, the Board determined that both proposals would reasonably be expected to result in a superior proposal and, therefore, that both parties were Excluded Parties for purposes of the Prior Merger Agreement, with which the Company could continue to negotiate for a superior proposal. In connection with the end of the go-shop period, on that same date, Mr. Stout contacted Mr. Bickett to inform Fidelity of the existence of two proposals from parties that would be Excluded Parties for purposes of the Prior Merger Agreement and the price terms of those proposals, as required by the terms of the Prior Merger Agreement.

On July 22, 2012, the go-shop period ended at 11:59 p.m.

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On July 23, 2012, the no-shop period commenced under the Prior Merger Agreement. The Board reconfirmed its recommendation in support of the Prior Merger Agreement, and the Company announced there were two Excluded Parties for purposes of the Prior Merger Agreement with which the Company could continue to actively engage in negotiations for a superior proposal.

On July 23, 2012, Weil provided to Bass, Berry a draft of an amended and restated merger agreement that provided for a cash tender offer by Fidelity for all shares of the Company's Common Stock.

During the week of July 23, 2012, Bass, Berry participated in telephone conferences with Weil to negotiate the terms of the draft amended and restated merger agreement providing for the tender offer structure, but without discussing a proposed offer price. Material issues negotiated included the timing, terms and conditions of Fidelity's proposed tender offer. Other terms of Fidelity's proposed restated merger agreement were substantially the same as previously agreed to in the Prior Merger Agreement.

Also during the week of July 24, 2012, Cary Street Partners remained in regular contact with Party F and Party G.

On July 24, 2012, Party G submitted a mark-up of the Company's proposed form of merger agreement.

Also on July 24, 2012, Bass, Berry and Weil discussed the draft amended and restated merger agreement.

On the evening of July 24, 2012, Mr. Stout and Mr. Bickett discussed a proposal by Mr. Stout for an all-cash tender offer at an offer price of \$12.50 per share, in exchange for the Company's agreement to forego treating any parties as Excluded Parties.

On July 25, 2012, Party F submitted a proposal for an all-cash transaction using a tender offer structure, with an offer price of \$12.50 per share, to be financed with bank loans and equity investments.

On July 25, 2012, Cary Street Partners responded to Party F with requests for information and proposed changes to Party F's bank financing commitment letter and other terms of Party F's proposal.

On July 25, 2012, Mr. Bickett contacted Mr. Stout to clarify the proposal for an all-cash tender offer by Fidelity as described above, including expectations regarding timing for commencement and closing of a proposed tender offer by Fidelity and to clarify that the Company was willing to forego treating any parties as Excluded Parties when a definitive agreement with respect to a tender offer was signed.

On July 26, 2012, representatives of Party F and representatives of the Company participated in a conference call to discuss the terms of the proposal made by Party F, including the Company's request for revisions to Party F's bank financing commitment. Party F indicated they would not require any of the executives to waive rights pursuant to employment agreements and salary continuation agreements. Representatives of the Company asked for verification that the offer of \$12.50 per share was Party F's best and final offer.

Cary Street Partners requested additional information from Party F that would assist the Board in its consideration of the proposal.

At the end of the business day, the Company received from Party G a proposal reconfirming its offer at \$12.60 per share and confirming that Party G would agree to structure a transaction as a cash tender offer followed by a merger. Party G indicated its bank would provide a financing commitment the following week.

On July 26, 2012, Mr. Bickett contacted Mr. Stout to communicate that Fidelity would be willing to proceed to negotiate an amended and restated merger agreement providing for an all-cash tender offer structure at \$12.50 per share, and conditioned on the Company's agreement to terminate its discussions with the Excluded Parties.

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On July 27, 2012, Party G and its financial advisor met with the Company's management and Cary Street Partners in Nashville for management presentations and tours of restaurants.

On July 27, 2012, the Company entered into an amendment to the engagement letter of Cary Street Partners providing for an additional fee upon delivery of an updated fairness opinion and an increased fee upon the closing of a transaction.

On July 27, 2012, Party G increased its offer price to \$13.00 per share.

On July 27, 2012, Party F also contacted Cary Street Partners and increased its offer price to \$12.75 per share.

On July 27, 2012, Mr. Stout contacted Mr. Bickett, as required by the terms of the Prior Merger Agreement, to inform Fidelity of the improved proposed price terms and that both Excluded Parties had indicated their willingness to commence a tender offer.

On July 27, 2012, Weil sent to Bass, Berry drafts of tender offer materials and a revised draft of the amended and restated merger agreement, indicating a tender offer price of \$12.50 per share.

On the afternoon of July 27, 2012, the Board held a meeting to consider the proposals from Fidelity, Party F and Party G. The Board considered the improved price terms of each proposal, the financial resources of the parties and the Board's assessment of the likelihood and anticipated timing of closing of each potential transaction. Cary Street Partners confirmed that it had asked Party F for its best and final offer and had requested that Party G provide information regarding its proposed financing. The Board discussed the lack of a bank financing commitment from Party G to date and, if Party G were able to obtain a commitment for financing, what the terms and conditions for such financing would be and whether the post-transaction combined entity would be solvent. Mr. Hurt discussed the improved offers received that afternoon. Based on the advice of its advisors and its assessment of the proposals, the Board determined to request Party F to improve its price term to \$13.00 per share, to add an additional party as an obligor and to provide certain due diligence information to the Company. The meeting was adjourned until evening. Cary Street Partners then contacted Party F to request the terms identified by the Board. Party F later indicated it was willing to accommodate the requested terms and to proceed to attempt to negotiate a definitive merger agreement with the Company providing for a tender offer for 100% of the outstanding common stock of the Company at a \$13.00 offer price, with a subsequent merger. On the evening of July 27, 2012, the Board reconvened its meeting and discussed Party F's willingness to agree to the requested terms and to proceed with negotiations. Based on Party F's improved terms, bank financing commitments and willingness to add an additional obligor, the Board determined that the Company should proceed with negotiations of a definitive agreement with Party F and that a transaction with Party F at \$13.00 per share would likely be a superior proposal, subject to the Board's approval. Although Party G's offer remained open, information relating to financing remained outstanding.

On July 28, 2012, Mr. Stout spoke with Mr. Bickett and informed Fidelity of the improved \$13.00 price term of the proposal from Party F, as required by the terms of the Prior Merger Agreement. Mr. Stout and Mr. Bickett spoke again on July 28 and July 29, 2012, to discuss the Fidelity proposal at \$12.50 per share. Mr. Bickett reiterated that Fidelity was willing to enter into a restated merger agreement and commence a tender offer within five business days of signing a restated merger agreement.

On July 28 and July 29, 2012, Bass, Berry, Cary Street Partners and the financial advisor and legal counsel to Party F held conferences concerning the various proposed terms affecting a definitive agreement and the transaction. The Company and Bass, Berry received a draft of a merger agreement with a tender offer structure from Party F's legal counsel.

On the evening of July 29, 2012, Mr. Bickett contacted Mr. Stout and proposed an all-cash transaction structured as a tender offer at \$13.00 per share for all the outstanding shares of Company Common Stock

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followed by a merger in which each outstanding share of Company Common Stock (other than shares held by the Company or Merger Sub) will be cancelled and converted into the right to receive \$13.00. Fidelity's proposal, including the improved offer price of \$13.00, was conditioned on the Company's agreement to terminate its discussions with the Excluded Parties.

On the evening of July 29, 2012, the Board held a meeting to discuss the improved proposal from Fidelity for an all-cash transaction at \$13.00 per share, including the condition imposed by Fidelity. Representatives of Bass, Berry and Cary Street Partners participated. Cary Street Partners presented an updated analysis and fairness opinion presentation and a draft of its fairness opinion. Cary Street Partners delivered its fairness opinion to the Board verbally, which was later confirmed in writing, that, based upon and subject to the matters described in that fairness opinion, as of July 29, 2012, the consideration to be received by the holders of the Company's Common Stock, other than Fidelity and Merger Sub (which are not receiving the consideration pursuant to the Restated Merger Agreement or any of their respective affiliates, pursuant to the Restated Merger Agreement was fair, from a financial point of view, to such holders of the Company's Common Stock. The Board discussed its assessment of the proposals, all of which were for tender offers at \$13.00 per share, and concluded that an all-cash proposal at \$13.00 per share was more favorable than the transactions pursuant to the Prior Merger Agreement and that, among the proposals for a tender offer at \$13.00 per share, the proposal of Fidelity was superior and represented the best value to shareholders, based on the financial strength of Fidelity, its track record of closing acquisitions successfully, the heightened certainty of closing based on the foregoing factors, and the expectation of delivery of consideration to shareholders in an expeditious manner based on the status of the negotiation of the Restated Merger Agreement and Fidelity's willingness to commence a tender offer within 5 business days. The Board also concluded that, in exchange for the foregoing advantages, the Company would agree to terminate its discussions with the Excluded Parties. After further deliberations, the Board, after due consideration of its fiduciary duties under applicable law, resolved by unanimous vote that the form, terms, provisions, and conditions of the Restated Merger Agreement be adopted and approved, and the consummation of the transactions contemplated by the Restated Merger Agreement be approved and declared advisable, fair to, and in the best interests of the Company and its shareholders. The Board recommended to the shareholders of the Company that they accept the tender offer, tender their shares in the tender offer and, to the extent required by applicable law, approve the Merger and adopt the Merger Agreement, subject to the ability of the Company to make a Recommendation Withdrawal (as defined in the Restated Merger Agreement) pursuant to the terms of and in accordance with the Restated Merger Agreement.

The Company entered into the Restated Merger Agreement and terminated the Prior Transaction Agreements with the other parties on July 30, 2012. The Company, the executives, and Fidelity and its affiliates also entered into amended and restated executive waiver letter agreements.

On July 31, 2012, the Company and Fidelity issued a joint press release announcing the execution of the Restated Merger Agreement.

On the evening of August 4, 2012, the Company's financial advisor, Cary Street Partners, received an unsolicited proposal from Party G to enter into a merger agreement that contemplated an all-cash tender offer at \$14.00 per share for all of the outstanding shares of Company Common Stock. Party G is smaller as compared to the Company in terms of sales, number of restaurants operated and market capitalization. Party G would require financing for the entire consideration payable to the Company's shareholders plus amounts to repay the Company's debt.

On August 5, 2012, Cary Street Partners received a copy of a bank commitment letter from Party G relating to a proposed acquisition financing for a two-step tender offer and merger transaction proposed by Party G. Later that day, Bass, Berry responded to Party G's proposal by requesting that Party G provide additional information to clarify the terms and conditions of Party G's proposal. That evening, outside counsel to Party G responded stating that Party G would be willing to provide the Company and its advisors with additional information.

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On August 5, 2012, the Company informed Fidelity of its receipt of the unsolicited acquisition proposal from Party G and the material terms of Party G's proposal and that the Company intended to seek clarification of the terms and conditions of Party G's proposal so that the Board might fully evaluate Party G's proposal, consistent with its fiduciary duties to the Company's shareholders.

On August 6, 2012, Fidelity commenced the Offer and the Company filed a Schedule 14D-9, which included the Board's recommendation in support of the Merger, the Offer and other transactions contemplated by the Restated Merger Agreement and that the Company's shareholders tender their Shares in the Offer. Later on August 6, 2012, Bass, Berry received a letter from outside counsel to Party G noting the Company's disclosures in the Company's Schedule 14D-9 filing and offering to provide additional information, but providing no specific clarifications.

On August 8, 2012, Bass, Berry sent a letter to outside counsel for Party G requesting that Party G clarify why its proposal did not contain a solvency analysis or solvency opinion, a description of Party G's proposed sources and uses of funds for a two-step transaction, projections of cash flow and compliance with the bank financing covenant requirements, or a proposed timeline for consummating the proposed transactions. In addition, Bass, Berry sought clarification as to certain terms of the acquisition financing bank commitment letter, including terms regarding syndication and the conditionality and enforceability of the commitment, as well as whether the previously received form of merger agreement represented Party G's current proposal for terms of a draft merger agreement.

On August 9, 2012, outside counsel to Party G delivered a letter responding to Bass, Berry's requests for clarification of Party G's acquisition proposal, and included with the response a form of acquisition financing commitment letter and a form of merger agreement.

On August 10, 2012, representatives of Party G, including its outside counsel and financing sources met with the Company and its representatives to clarify the terms and conditions of Party G's acquisition proposal.

On August 12, 2012, the Board met to review and consider Party G's unsolicited proposal. After thorough consideration of Party G's proposal and after consultation with Bass, Berry and Cary Street Partners, the Board unanimously determined that Party G's unsolicited proposal did not constitute, and is not reasonably expected to result in, a superior proposal as defined in the Restated Merger Agreement based on (i) the fact that Party G's proposal would require that all amounts payable to the Company's shareholders in the tender offer and the merger would consist of borrowed funds; (ii) the risks and uncertainties related to the proposed financing, including its conditionality and the Company's inability to directly enforce the financing commitment against the financing sources; (iii) material risks and uncertainties related to the solvency of the combined entity that would result from Party G's proposal including the lack of a third party solvency opinion and the risk that a transaction involving an insolvent entity may be a fraudulent conveyance under applicable law; (iv) concerns as to the soundness of Party G's proposal, the likelihood of closing the proposed financing, and risks of insolvency based on the Board's concerns regarding the achievability of the financial projections prepared by Party G and its financing source and the synergies estimated by Party G, and the Board's concerns as to the quality and thoroughness of the assumptions on which financial projections of Party G were based; (v) concerns that a transaction with Party G may not result in shareholders receiving cash consideration on an expedited timeframe; and (vi) the risk that an unsuccessful pursuit of Party G's proposal and any protracted dispute that would result upon a failure of the proposed financing would cause significant damage to the Company and its business, would cause the Company's shareholders to lose a significant financial opportunity, and would leave the Company in a weakened position, unable to achieve a comparable opportunity for its shareholders in the future.

Considering the risks and uncertainties inherent in Party G's proposal as a whole, the Board determined that Party G's proposal did not outweigh the financial strength of Fidelity, the certainty of closing of the currently proposed transaction with Fidelity and the expectation of delivery of consideration to shareholders in an expeditious timeframe. For all of these reasons, among others, the Board unanimously determined that Party G's

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proposal did not, as of August 12, 2012, meet the requisite standards established under the Restated Merger Agreement for permitting the Company to engage in discussions or negotiations with Party G related to its proposal and that engaging in discussions with Party G was not then in the best interests of the Company and its shareholders. The Board unanimously reaffirmed its recommendation that the shareholders of the Company accept the Offer being made by Fidelity, tender their Shares in the Offer and, if required by applicable law, approve the Merger and the Restated Merger Agreement, subject to the ability of the Company to make a Recommendation Withdrawal (as defined in the Restated Merger Agreement) pursuant to the terms and in accordance with the Restated Merger Agreement.

On the evening of August 13, 2012, Bass, Berry on behalf of the Company received an unsolicited proposal from Party G to enter into a merger agreement with the Company that contemplates an all-cash tender offer at \$14.00 per share for all the outstanding shares of Company Common Stock, with the funds payable as consideration proposed to be escrowed upon the execution of a definitive merger agreement. Upon thorough consideration of Party G's unsolicited acquisition proposal and after consultation with Bass, Berry and Cary Street Partners, without modifying its current recommendation in support of the Restated Merger Agreement with Fidelity and the transactions contemplated thereby, the Board determined that, based upon Party G's representation that it would be willing to fund the escrow, the failure to engage in negotiations with Party G regarding its unsolicited acquisition proposal would be inconsistent with the Board's fiduciary duties under applicable law and that Party G's acquisition proposal is, as of August 17, 2012, deemed reasonably expected to result in a superior proposal, as defined in the Restated Merger Agreement. Based on this determination, the Board authorized the Company's management to engage in negotiations and discussions with Party G regarding its unsolicited acquisition proposal for a two-step tender offer and merger transaction to acquire all of the outstanding shares of Company Common Stock at \$14.00 per share, with the escrow feature described above.

Thereafter, the Company engaged in discussions and negotiations with Party G and its counsel, to address the specific terms of the proposal with no assurance that a superior proposal would result or that definitive agreements would be reached between the parties.

As of August 20, 2012, the Board had not concluded that Party G's proposal was superior to the proposed transactions with Fidelity and, as a result, the Board continued to recommend that the shareholders of the Company accept the Fidelity tender offer, tender their Shares in the Offer and, to the extent required by applicable law, approve the Merger and the Restated Merger Agreement, subject to the ability of the Company to make a Recommendation Withdrawal (as defined in the Restated Merger Agreement) pursuant to the terms and in accordance with the Restated Merger Agreement.

During the week of August 20, 2012, the Company and its advisers engaged in discussions and negotiations with the advisers of Party G, concerning its proposal to acquire all of the outstanding shares of Company Common Stock at \$14.00 per share in a two-step tender offer and merger transaction. As of August 27, 2012, the Board had not made a determination that Party G's proposal to acquire all of the outstanding shares of Company Common Stock at \$14.00 per share was a superior proposal.

On August 25, 2012, the Company received a request from Party F for the Board to authorize a waiver of certain obligations pursuant to its confidentiality agreement with the Company, to enable Party F to approach the Board with respect to an acquisition proposal, which was believed would be a superior proposal, as defined in the Restated Merger Agreement with Fidelity. At a meeting of the Board on August 26, 2012, after consultation with Bass, Berry and Cary Street Partners, the Board determined that the failure to grant a limited waiver of the standstill provisions of the confidentiality agreement with Party F to enable Party F to make on a confidential basis an offer which would be expected to be a superior proposal, would be inconsistent with the Board's fiduciary duties under applicable law, and the Board authorized the grant of a limited waiver. After the waiver was granted and communicated to Party F on August 26, 2012, Party F submitted a proposal to the Company to acquire all of the outstanding shares of Company Common Stock at \$14.25 per share in a tender offer and merger transaction.

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On August 26, 2012, upon consideration of Party F's acquisition proposal and after consultation with Bass, Berry and Cary Street Partners, without modifying its current recommendation in support of the Restated Merger Agreement with Fidelity and the transactions contemplated thereby, the Board determined that the failure to engage in negotiations with Party F regarding its acquisition proposal would be inconsistent with the Board's fiduciary duties under applicable law and that Party F's proposal was, as of August 27, 2012, deemed reasonably expected to result in a superior proposal, as defined in the Restated Merger Agreement. Based on this determination, the Board authorized the Company's management to engage in negotiations and discussions with Party F regarding its acquisition proposal for a two-step tender offer and merger transaction to acquire all of the outstanding shares of Company Common Stock at \$14.25 per share.

During the week of August 27, 2012, the Company and its advisers engaged in discussions and negotiations with Party F and its advisers concerning its proposal to acquire all of the outstanding shares of Company Common Stock at \$14.25 per share in the form of a two-step tender offer and merger transaction. Negotiations between the parties focused on a form of merger agreement and a form of a limited guaranty by Party F with respect to the payment of consideration to the Company's shareholders under the acquisition proposal. The parties also discussed revised terms of financing commitment letters and clarified the sources and uses of funds required to consummate the proposed tender offer which would consist of approximately 50% in cash provided by Party F and 50% in borrowed funds under a senior secured credit facility guaranteed by Party F.

On August 28, 2012, the Company received a letter from Party G stating that if Party G's offer was not declared by the Board to be a superior proposal by 12:00 p.m., central time, on August 30, 2012, that its proposal would be reduced to \$13.75 per share and that the proposed break-up fee under its proposal would be increased significantly.

On August 29, 2012, the Board held a meeting to discuss the current proposals from Party G and Party F. After consideration of the terms and conditions of Party G's proposal, the Board determined that, based on the fact that certain terms of Party G's proposal had not been resolved as requested by the Board in a manner favorable to the Company and its shareholders, and in light of the current proposal from Party F, as of August 29, 2012, Party G's acquisition proposal did not constitute a superior proposal.

At the same meeting, the Board considered Party F's acquisition proposal and, with the parties having reached agreement on the material terms of Party F's proposal, discussed with its advisers the terms of Party F's proposal, including a form of definitive merger agreement, a form of limited guaranty by Party F and financing commitment letters. The Board also considered and discussed with its advisers such other matters that it deemed appropriate to enable the Board to fully evaluate Party F's proposal, including the fact that a substantial portion of the consideration under Party F's proposal would be funded by Party F's available cash and that Party F's acquisition proposal was expected to be a firm binding offer with respect to Party F once the proposed transaction documents were finalized and delivered. Thereafter, following additional discussions with Bass, Berry and Cary Street Partners, the Board unanimously determined that Party F's acquisition proposal to acquire all of the outstanding shares of Company Common Stock at \$14.25 per share in the form of a two-step tender offer and merger transaction on the terms considered by the Board constituted a superior proposal as such term is defined in the Restated Merger Agreement, subject only to the delivery of completed transaction documents. The Board then authorized the Company's management and its advisers to complete negotiations with Party F on the current terms and, upon receipt of Party F's completed acquisition proposal, to notify Fidelity of the Board's determination with respect to Party F's proposal.

On August 30, 2012, Party F delivered to the Company a finalized acquisition proposal that included executed documents, the execution and delivery of which had been authorized by each of the individuals or corporate entities that delivered them. The executed documents included a definitive merger agreement executed by certain affiliates of Party F, a limited guaranty executed by Party F, fully executed bank commitment letters in favor of Party F and its affiliates, and a letter from Party F reaffirming its firm bid to acquire all of the outstanding shares of Company Common Stock at \$14.25 per share in the form of a two-step tender offer and merger transaction on the terms of the negotiated transaction documents.

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The Company then gave written notice to Fidelity of the Company's receipt of Party F's authorized and executed acquisition proposal, the Board's determination that Party F's proposal constitutes a superior proposal as such term is defined in the Restated Merger Agreement, and that the notice was intended to constitute a notice of superior proposal as such term is defined in the Restated Merger Agreement. Pursuant to the terms of the Restated Merger Agreement, the Company is required to, if requested by Fidelity, negotiate in good faith with Fidelity and its advisors for a period of five business days following a notice of superior proposal with respect to any proposed amendments to the terms and conditions of the Restated Merger Agreement such that Party F's proposal would no longer be considered a superior proposal.

On August 30, 2012, upon receipt of the Company's notice, Fidelity indicated orally and on a preliminary basis to the Company that it would consider matching the price offered by Party F, but only if the Company agreed to a substantial increase in the current \$2.16 million break-up fee under the Restated Merger Agreement based, in part, on the certainty and time to closing advantage that Fidelity has over Party F and the increase in the Company's valuation since the announcement of Fidelity's offer.

On August 31, 2012, after consulting with the individual members of the Company's Board, Mr. Stout communicated to Mr. Foley that the Company would not be willing to enter into an amendment to the Restated Merger Agreement that included an increase in the termination fee for a matching price of \$14.25 per share.

On September 1, 2012, Mr. Foley communicated to Mr. Stout a proposal by Fidelity to amend the Restated Merger Agreement to increase the Offer Price to \$14.50 and to increase the termination fee to \$3.8 million.

On September 4, 2012, the Company provided written notice to Fidelity requesting that Fidelity and Merger Sub extend the Offer for a period of five business days beyond the initial expiration date of September 5, 2012.

On September 4, 2012, the Company and Cary Street Partners discussed with Party F and its advisors the terms and status of Party F's proposal and whether Party F would consider improving its proposal. The Company and Cary Street Partners informed Party F that Fidelity had proposed a higher offer price. Party F indicated that it was not inclined to improve its proposal.

On the evening of September 4, 2012, Fidelity confirmed in writing that it had agreed to increase the Offer Price from \$13.00 to \$14.50, subject to the condition that the termination fee, which applies if the Merger Agreement was subsequently terminated under the circumstances described in the Restated Merger Agreement, would be increased from \$2.16 million to \$3.8 million. Fidelity also confirmed that all other terms and conditions of the Restated Merger Agreement would remain the same under the terms of its proposal.

On September 5, 2012, the Board held a meeting to discuss Fidelity's proposed revisions to the Restated Merger Agreement as well as the status of Party F's proposal. The Board first considered and discussed the status of Party F's proposal and the nature of the discussions between the Company's management and Cary Street Partners and Party F and its advisors and the fact that Party F had not indicated that it intended to improve its current offer to acquire all of the outstanding shares of Company Common Stock at \$14.25 per share. The Board then considered and discussed with Bass, Berry and Cary Street Partners the improved price term and revised termination fee included in Fidelity's proposal, as well as the certainty of closing and timing advantage of Fidelity's proposal, since it would require only an amendment to the Restated Merger Agreement and a minimum ten business day extension of the currently outstanding Offer, in each case as compared to Party F's proposal. Cary Street Partners, after confirming to the Board that it had no business relationship with Fidelity, delivered its fairness opinion to the Board verbally, which was later confirmed in writing, that, based upon and subject to the matters described in that fairness opinion, as of September 5, 2012, the revised Offer Price of \$14.50 to be received by the holders of the Company's Common Stock, other than Fidelity and Merger Sub (which are not receiving the consideration pursuant to the Merger Agreement) or any of their respective affiliates, pursuant to the Merger Agreement was fair, from a financial point of view, to such holders of the Company's Common Stock.

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At the same meeting, following further deliberations, the Board, after due consideration of its fiduciary duties under applicable law, resolved by unanimous vote that Fidelity's proposed amendments to the Restated Merger Agreement be adopted and approved, and the consummation of the transactions contemplated by the Merger Agreement be approved and declared advisable, fair to, and in the best interests of the Company and its shareholders, and that, taking into account the amendments to the Restated Merger Agreement, as of September 5, 2012, Party F's proposal no longer constituted a superior proposal as such term is defined in the Restated Merger Agreement. The Board recommended to the shareholders of the Company that they accept the Offer, tender their shares in the Offer and, to the extent required by applicable law, approve the Merger Agreement and the Merger subject to the ability of the Company to make a Recommendation Withdrawal (as defined in the Merger Agreement) pursuant to the terms of and in accordance with the Merger Agreement in each case as the Offer and the Restated Merger Agreement would be amended by Fidelity's proposed amendments.

Also on September 5, 2012, Bass, Berry and Weil prepared a form of the First Amendment that reflected the amendments proposed by Fidelity and approved by the Board, which was subsequently executed on September 5, 2012, by Fidelity, Merger Sub and the Company.

On September 5, 2012, the Company and Fidelity issued a joint press release announcing the execution of the First Amendment, that the Offer Price had been increased from \$13.00 to \$14.50 per share, that the termination fee payable in certain circumstances had been increased from \$2.16 million to \$3.8 million, and that Fidelity and Merger Sub would extend the Offer for ten additional business days.

On September 6, 2012, Fidelity and Merger Sub filed amendments to the Schedule TO and other offer documents reflecting the effect of the First Amendment. The Company also filed an amendment to the Schedule 14D-9 reflecting the effect of the First Amendment that same day.

The Offer expired on September 19, 2012. Pursuant to the Offer, the Company's shareholders tendered, and Merger Sub accepted for payment and acquired, a total of 4,451,627 Shares (excluding approximately 321,133 Shares subject to guaranteed delivery, or approximately 73.75% of the issued and outstanding Shares. Pursuant to a subsequent offering period commencing on September 20, 2012 and expiring at 5:00 p.m. New York City time, on September 20, 2012, Merger Sub acquired an additional [] Shares, or approximately []% of the issued and outstanding Shares. Together with the Shares acquired during the Offer, Merger Sub owns approximately []% of the issued and outstanding Shares.

Recommendation of the Board

Reasons for Recommendation of the Offer and Merger

In evaluating the Merger Agreement and the Merger, the Offer and other transactions contemplated by the Merger Agreement (the Contemplated Transactions), the Board regularly consulted with J. Alexander's senior management, its outside legal advisor, Bass, Berry, and its financial advisor, Cary Street Partners.

In reaching its decision that, as of July 30, 2012, the Offer and the Merger, according to the terms of the Restated Merger Agreement, are advisable, fair to, and in the best interest of the Company and its shareholders, and in reaching its recommendation that the shareholders accept the Offer, tender their Shares in the Offer and, if required, approve the Merger and the Restated Merger Agreement, the Board considered a number of factors, including the following material factors and benefits of the Offer and the Merger, which the Board viewed as supporting its recommendation:

J. Alexander's Operating and Financial Condition. The Board's consideration of its knowledge and familiarity with J. Alexander's business, including its current and historical financial condition and results of operations, competitive position, properties and assets, as well as J. Alexander's business strategy and prospects, in light of the current and prospective economic environment.

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Prospects of J. Alexander's as an Independent Company. The Board's evaluation of J. Alexander's long-term strategic plan and the related execution risks and uncertainties (including the risk factors set forth in J. Alexander's Annual Report on Form 10-K for the year ended January 1, 2012), and its weighing of the prospects of achieving long-term value for its shareholders through execution of the Company's strategic business plan against the near-term value to shareholders which could be realized through the Contemplated Transactions at a significant premium to the recent market price of the Shares.

Unpredictability of Future Operating Environment. The Board's assessment, after discussions with J. Alexander's management and advisors, of the risks of remaining an independent company and pursuing J. Alexander's strategic plan, including risks relating to the effect of competition in J. Alexander's markets; and other risks and uncertainties relating to the financial markets, the economy and the restaurant industry.

Review of Strategic Alternatives. The Board's consideration of strategic alternatives, including, among others, remaining an independent company and pursuing J. Alexander's strategic plan, or pursuing a strategic transaction with or the sale of the Company to another party, including those that submitted indications of interest prior to the execution of the Prior Merger Agreement, its evaluation of alternative acquisition proposals that arose during the go-shop period following the Company's entry into the Prior Merger Agreement, and the Board's belief, after a review of the additional proposals and discussions with J. Alexander's management and advisors, that the value offered to shareholders in the Offer and the Merger, combined with their assessment concerning the certainty of closing, was more favorable to the shareholders of J. Alexander's than the potential value that might have resulted from other strategic opportunities reasonably available to J. Alexander's, including remaining an independent company.

Cash Consideration. The fact that the Consideration consists solely of cash, providing the J. Alexander's shareholders with certainty of value and liquidity upon consummation of the Contemplated Transactions.

Premium to Market Price. The \$13.00 price to be paid for each Share represented a significant premium to recent and historical market prices of J. Alexander's common stock, including an approximate premium of:

35.6% over \$9.59, the closing price per share of the Common Stock on June 21, 2012, the trading day prior to the date of the Prior Merger Agreement;

53.1% over \$8.49, the closing price per share of the Common Stock on May 9, 2012, the thirtieth trading day prior to the date of the Prior Merger Agreement;

61.7% over the average price per share of the Common Stock over the six-month period ended prior to the date of the Prior Merger Agreement; and

86.9% over the average price per share of the Common Stock over the one-year period prior to the date of the Prior Merger Agreement.

In addition, the \$13.00 offer price represented an approximate premium of 10.5% over \$11.77, the closing price per share of the Common Stock on July 27, 2012, the last trading day prior to the date of the Restated Merger Agreement.

Likelihood of Completion. The belief of the Board that the Offer and the Merger are likely to be completed in a short period of time, based on, among other things, the absence of a financing condition, Fidelity's representation that it has sufficient financial resources currently available to pay the aggregate Offer Price and consummate the Merger, the limited number of conditions to the Offer and

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the Merger, Fidelity's extensive prior experience in successfully completing acquisitions of other companies, in each case, as compared to alternative acquisition proposals considered by the Board, and

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the likelihood of obtaining required regulatory approvals for the Contemplated Transactions and the terms of the Restated Merger Agreement regarding the obligations of both companies to pursue such approvals.

Tender Offer Structure. The fact that the Contemplated Transactions include a first-step tender offer, which can be completed, and the all-cash Offer Price can be delivered to the J. Alexander's shareholders (subject to applicable withholding of taxes), on a prompt basis, following satisfaction of the conditions to the Offer, reducing the period of uncertainty during the pendency of the Contemplated Transactions on shareholders, employees and business partners, with a second-step Merger in which shareholders who do not tender their Shares in the Offer will receive cash consideration equal to the Offer Price.

Extensive Process; Go-Shop. The extensive and competitive nature of the sales process conducted by J. Alexander's, together with its financial and legal advisors, in soliciting and evaluating multiple acquisition proposals for the Company, and the number and terms of the acquisition proposals received by the Company, both prior to the Company's entry into the Prior Merger Agreement and during the go-shop period under the Prior Merger Agreement, and the Board's determination that Fidelity's proposal represented the best value and likelihood of closing currently available to the J. Alexander's shareholders and was superior to other proposals, including those received from the excluded parties (as defined in the Prior Merger Agreement), based on the Board's expectation as to the certainty of closing the Offer and the Merger without material delay, based on the financial strength of Fidelity, its track record of closing acquisitions successfully, and the delivery of consideration to the J. Alexander's shareholders in an expeditious manner based on the status of the negotiations of the Merger Agreement and Fidelity's willingness to commence the Offer within five business days, in comparison to other proposals.

Advisors. The fact that J. Alexander's legal and financial advisors were involved throughout the process and negotiations and updated the Board directly and regularly, which provided the Board with additional perspectives on the negotiations in addition to those of management.

Negotiations with Fidelity. The course of discussions and negotiations between J. Alexander's and Fidelity, improvements to the terms of Fidelity's acquisition proposal in connection with those negotiations, including those ultimately resulting in Fidelity making a tender offer for the Shares with a final Offer Price of \$13.00 in cash per Share, and the Board's belief based on these negotiations, that Fidelity's proposal represented the highest price per Share that Fidelity was willing to pay and that these were the most favorable terms to J. Alexander's to which Fidelity was willing to agree.

Opinion of Cary Street Partners. The opinion delivered to the Board on July 29, 2012, by Cary Street Partners that, based upon and subject to the limitations and assumptions set forth in its written opinion, the \$13.00 per Share in cash to be paid to the J. Alexander's shareholders pursuant to the Offer and the Merger under the Restated Merger Agreement was fair, from a financial point of view, to such shareholders, and the related financial analyses performed by Cary Street Partners.

Unanimous Determination. The fact that the Board was unanimous in its determination to recommend that the shareholders accept the Offer and tender their Shares in Offer and, if required, approve the Merger and the Restated Merger Agreement.

Customary Conditions; Specific Enforcement. The fact that the terms and conditions of the Restated Merger Agreement minimize, to the extent reasonably practicable, the risk that a condition to the Offer or the Merger would not be satisfied and J. Alexander's ability to specifically enforce Fidelity's obligations, including the obligations to consummate the Offer and the Merger, under the Restated Merger Agreement.

Extension of Offer. The fact that, subject to rights to terminate, Merger Sub and Fidelity will be required to extend the Offer, at J. Alexander's request, beyond the initial expiration date of the Offer if the conditions to the completion of the Offer are not satisfied as of such date.

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Ability to Withdraw or Change Recommendation. The Board's ability under the Restated Merger Agreement to withdraw or modify its recommendation in favor of the Offer and the Merger under certain circumstances, including its ability to terminate the Restated Merger Agreement in connection with a superior offer (as specified in the Restated Merger Agreement), subject to payment of a termination fee of \$2.16 million, and the Board's determination that the termination fee is within the customary range of termination fees for transactions of this type.

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

No Shareholder Participation in Future Growth or Earnings. The nature of the transaction as an all-cash transaction will prevent shareholders from being able to participate in any future earnings or growth of J. Alexander's, or any restaurant company of Fidelity with which J. Alexander's may be combined, and shareholders will not benefit from any potential future appreciation in the value of the Shares, including any value that could be achieved if J. Alexander's engages in future strategic or other transactions or as a result of the growth of J. Alexander's operations.