

WESTERN SIZZLIN CORP
Form DEF 14A
July 15, 2009

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

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

Western Sizzlin Corporation
(Name of Registrant as Specified in Its Charter)

(Name of Persons(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

WESTERN SIZZLIN CORPORATION

July 15, 2009

Dear Fellow Stockholder:

You are cordially invited to attend the 2009 Annual Meeting of Stockholders of Western Sizzlin Corporation (the “Company”) to be held at the NASDAQ Marketsite located at 4 Times Square (Broadway at the corner of 43rd Street), New York, New York 10036, on Thursday, August 13, 2009 at 2:00 p.m. local time. The Notice of Annual Meeting and Proxy Statement accompanying this letter describe the business to be transacted at the meeting.

The Board of Directors appreciates and encourages stockholder participation in the Company’s affairs and we hope you can attend in person. Whether or not you plan to attend the meeting, it is important that your shares be represented. Therefore, please sign, date, and mail the enclosed proxy at your earliest convenience.

Sincerely,

/s/ Sardar Biglari

Sardar Biglari
Chairman of the Board

Notice of Annual Meeting of Stockholders

of

WESTERN SIZZLIN CORPORATION

July 15, 2009

TO THE STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the 2009 Annual Meeting of Stockholders of Western Sizzlin Corporation, a Delaware corporation (the "Company"), will be held on Thursday, August 13, 2009 at 2:00 p.m. local time, at the NASDAQ Marketsite located at 4 Times Square (Broadway at the corner of 43rd Street), New York, New York 10036, for the following purpose as more fully described in the Proxy Statement accompanying this Notice:

1. To elect six Directors to the Board of Directors to serve for the upcoming annual term and until their successors are duly elected and qualified.

Only stockholders of record at the close of business on July 13, 2009 are entitled to receive notice of and vote at the meeting.

All stockholders are cordially invited to attend the meeting in person. However, to assure your representation at the meeting, you are urged to complete, sign, date and return the enclosed Proxy card as promptly as possible. Stockholders attending the meeting may revoke this proxy and vote in person.

Sincerely,

/s/ Sardar Biglari

Sardar Biglari
Chairman of the Board

Roanoke, Virginia

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

Under rules recently adopted by the Securities and Exchange Commission, we are now furnishing proxy materials on the Internet in addition to mailing paper copies of the materials to each stockholder of record. This Notice of Annual Meeting of Stockholders, the Proxy Statement, form of Proxy Card and our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 are available at: <http://www.western-sizzlin.com/investors/meeting2009.html>.

WESTERN SIZZLIN CORPORATION
PROXY STATEMENT

INFORMATION CONCERNING SOLICITATION AND VOTING

General

The enclosed Proxy is solicited on behalf of Western Sizzlin Corporation, a Delaware corporation, for use at its 2009 Annual Meeting of Stockholders to be held on August 13, 2009, at 2:00 p.m. local time, or at any adjournments or postponements thereof, for the purposes set forth in this Proxy Statement and in the accompanying Notice of Annual Meeting of Stockholders. The Annual Meeting will be held at the NASDAQ Marketsite located at 4 Times Square (Broadway at the corner of 43rd Street), New York, New York 10036, on Thursday, August 13, 2009 at 2:00 p.m. local time. The Company's principal executive offices are located at 401 Albemarle Ave SE, Roanoke, Virginia 24013. The Company's telephone number is (540) 345-3195.

These proxy solicitation materials will be mailed on or about July 20, 2009, to all stockholders entitled to vote at the meeting.

Record Date; Outstanding Shares

Stockholders at the close of business on the Record Date of July 13, 2009, are entitled to receive a notice of, and vote at, the meeting. On the Record Date 2,831,884 shares of the Company's Common Stock, \$0.01 par value, were issued and outstanding. For information regarding holders of more than 5% of the outstanding Common Stock, see "Election of Directors—Security Ownership of Certain Beneficial Owners and Management."

Revocability of Proxies

Proxies given pursuant to this solicitation may be revoked at any time before they have been used. Revocation will occur by delivering a written notice of revocation to the Company or by duly executing a proxy bearing a later date. Revocation will also occur if the individual attends the meeting and votes in person.

Voting and Solicitation

Every stockholder of record on the record date is entitled, for each share held, to one vote on each proposal or item that comes before the meeting. In the election of directors, each stockholder will be entitled to vote for six nominees and the six nominees with the greatest number of votes will be elected.

The cost of this solicitation will be borne by the Company. The Company may reimburse expenses incurred by brokerage firms and other persons representing beneficial owners of shares in forwarding solicitation material to beneficial owners. Proxies may be solicited by certain of the Company's directors, officers and regular employees, without additional compensation, personally, by telephone or by telegram.

Quorum; Abstentions; Broker Non-Votes

The required quorum for the transaction of business at the Annual Meeting is a majority of the shares of Common Stock issued and outstanding on the Record Date. Shares that are voted "FOR," "AGAINST," or "WITHHELD FROM" a matter are treated as being present at the meeting for purposes of establishing a quorum and also treated as shares "represented and voting" or "present and entitled to vote" at the Annual Meeting with respect to such matter.

Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum, but will not be counted for purposes of determining the number of votes cast with respect to the election of directors. Proxies which are properly signed and returned will be voted at the meeting along with the shares of Common Stock represented in person and voting. Stockholders may specify their preference by marking the appropriate boxes on the proxy and the proxy will then be voted in accordance with such specifications. In the absence of such specifications, the proxy will be voted "FOR" the six nominees for the Board of Directors.

No Right of Appraisal

Neither Delaware law, our Restated Certificate of Incorporation, as amended, nor our Bylaws, as amended, provide for appraisal or other similar rights for dissenting stockholders in connection with the proposal to elect directors to the Board of Directors. Accordingly, stockholders will have no right to dissent and obtain payment for their shares.

Deadline for Receipt of Stockholder Proposals

Stockholders may submit proposals for consideration at future stockholder meetings. Our Bylaws govern the submission of nominations for director or other business proposals that a stockholder wishes to have considered at a meeting of stockholders, but which are not included in Company-sponsored proxy materials for that meeting. To be timely under our Bylaws, Stockholder proposals which are intended to be presented at the Company's 2010 Annual Meeting must be received by the Company not less than sixty (60) days nor more than ninety (90) days prior to the first anniversary of the Company's 2009 annual meeting. The notice must contain the information required by the Bylaws.

These advance notice provisions are in addition to, and separate from, the requirements that a stockholder must meet in order to have a proposal included in Company-sponsored proxy materials. In order for a stockholder proposal to be considered for inclusion in the Company's proxy statement for next year's Annual Meeting, the written proposal must be received by the Company no later than March 22, 2010. Such proposals also will need to comply with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder, including Rule 14a-8, regarding the inclusion of stockholder proposals in company-sponsored proxy materials.

ELECTION OF DIRECTORS

General

Six directors are to be elected at the Annual Meeting, and all nominees are presently serving as directors. Unless otherwise instructed, the proxy holders will vote all of the proxies received by them for the Company's six nominees named below. In the event that any of the nominees shall be unavailable to serve, the proxy holders will vote in their discretion for a substitute nominee. It is not expected that any nominee will be unavailable. The term of office of each person elected as a director is a one-year term, until the 2010 Annual Meeting and until his successor shall have been elected and qualified.

Nominees for Election at the Annual Meeting

The names of the six nominees and certain information about them are set forth below:

Name of Nominee	Age	Position	Since
Sardar Biglari	31	Chairman of the Board and Director	2005
Philip L. Cooley	65	Vice Chairman of the Board and Director	2005

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Titus W. Greene	72	Director	2002
Jonathan Dash	30	Director	2006
Kenneth R. Cooper	64	Director	2007
Martin S. Fridson	56	Director	2007

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Sardar Biglari has been a director since December 2005 and Chairman since March 2006. In May 2007, Mr. Biglari was appointed President and Chief Executive Officer of the Company. Mr. Biglari has also served as the Chairman and Chief Executive Officer of Biglari Capital Corp., the general partner of The Lion Fund, L.P., a private investment fund, since its inception in 2000. He is a director of The Steak n Shake Company (NYSE: SNS), since March 2008, and its Chairman and Chief Executive Officer since August 2008.

Philip L. Cooley Ph.D. has been a director since December 2005 and Vice Chairman since March 2006. Dr. Cooley is the Prassel Distinguished Professor of Business at Trinity University in San Antonio, Texas, since 1985. He has served as an advisory director of Biglari Capital Corp. since 2000. He is a director of the Steak n Shake Company (NYSE: SNS), Consumer Credit Counseling Service of Greater San Antonio, Financial Management Association International and Eastern Finance Association.

Titus W. Greene has been a director since September 2002, and previously served as Chairman of the Board and a director from 1993 to 1996. Mr. Greene was a Western Sizzlin franchisee from 1973 to 1996.

Jonathan Dash has been a director since March 2006. Mr. Dash has served as the President of Dash Acquisitions, LLC, whose principal business is investment management, since 2004.

Kenneth R. Cooper has been a director since February 2007. Mr. Cooper has been engaged in the private practice of law in San Antonio, Texas, since 1974, specializing in real estate transactions.

Martin S. Fridson has been a director since November 2007. Mr. Fridson is the Chief Executive Officer of Fridson Investment Advisors, LLC, an investment management firm. Mr. Fridson was the Chief Executive Officer of FridsonVision LLC, an independent investment research firm, from 2003 to 2008.

Required Vote and Board Recommendation

The six nominees for director receiving the highest number of affirmative votes from the shares voted at the annual meeting will be elected as directors. Votes withheld from any nominee are counted for purposes of determining the presence or absence of a quorum, but have no other legal effect under Delaware law. Stockholders do not have the right to cumulative votes in the election of directors.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES NAMED ABOVE.

GENERAL INFORMATION ON THE BOARD OF DIRECTORS

Board Meetings and Attendance

The Board of Directors met two times during calendar year 2008, and held three telephonic meetings. The Audit and Finance Committee held five meetings, the Compensation Committee held two meetings, and the Nominating and Governance Committee held one meeting. All directors were present for at least 75% of the Board and committee meetings.

Board Attendance at Annual Meeting of Stockholders

The Company has no formal policy for director attendance at the Annual Meeting, but all directors are encouraged to attend. All directors attended the 2008 Annual Meeting.

Compensation of Directors

In 2008, directors were paid a \$1,500 quarterly retainer fees. In addition, the Chairs of the Compensation Committee and Nominations and Governance Committee received an additional \$250 per quarter. The Chair of the Audit and Finance Committee received an additional \$500 per quarter. Each director is paid an additional \$1,500 and reimbursement for out-of-pocket expenses incurred for attending each Board meeting in person. The directors receive \$500 for each telephonic Board meeting and committee meeting when not part of a full Board meeting. Since April 2007, the Board suspended indefinitely the granting of stock options to directors.

Director Compensation

NAME	FEES EARNED OR PAID IN		OPTION	ALL OTHER	TOTAL
	CASH (\$)	AWARDS (\$)		COMPENSATION (\$)	(\$)
Sardar Biglari	14,000	0	0	0	14,000
Philip L. Cooley	13,500	0	0	0	13,500
Jonathan Dash	11,000	0	0	0	11,000
Titus W. Greene	12,500	0	0	0	12,500
Kenneth R. Cooper	11,500	0	0	0	11,500
Martin S. Fridson	11,000	0	0	0	11,000

Director Independence

The Company's Common Stock is listed on the Nasdaq Capital Market. The Board of Directors has determined that all directors, other than Mr. Biglari by virtue of his positions as President and Chief Executive Officer, are "independent" as measured by the Nasdaq Corporate Governance Rules applicable to companies listed on the Nasdaq Capital Market.

Communications with the Board

Stockholders desiring to communicate with the Board should send written correspondence to the Company's Secretary at the headquarters address listed in this Proxy Statement. Inquiries sent by mail will be reviewed by an executive officer of the Company and if they are relevant to, and consistent with, our operations, policies and philosophies, they will be forwarded to our Board.

Board Committees

Audit and Finance Committee

The Audit and Finance Committee is comprised of Dr. Cooley (Chair), Mr. Greene, Mr. Cooper, and Mr. Fridson. The Board has determined that Dr. Cooley is an “audit committee financial expert” as defined by Item 401 of SEC Regulation S-K. The Board has determined that Dr. Cooley, Mr. Greene, Mr. Cooper, and Mr. Fridson meet the special independence requirements applicable to audit committee members under Nasdaq’s rules. The Audit and Finance Committee has adopted a written charter, a copy of which was appended to the 2006 Proxy Statement.

The Audit and Finance Committee oversees the Company’s accounting and financial reporting processes and the audits of its financial statements. The Committee also monitors the independence, performance and qualifications of the Company’s registered public accounting firm. The report of the Audit and Finance Committee is included in this Proxy Statement under the heading “REPORT OF THE AUDIT AND FINANCE COMMITTEE.”

Compensation Committee

The Compensation Committee is currently comprised of Mr. Cooper (Chair), Dr. Cooley and Mr. Dash. The Compensation Committee considers the hiring and election of corporate officers, salary and incentive compensation policies for officers, and the granting of stock options to employees. The report of the Compensation Committee is included in this Proxy Statement under heading “EXECUTIVE COMPENSATION.”

Nominating and Governance Committee

The Nominating and Governance Committee is comprised of Mr. Greene (Chair) and Mr. Dash, both of whom are “independent” as measured by the Nasdaq rules applicable to this committee. The Nominating and Governance Committee assists the Board in identifying individuals qualified to become directors by recommending nominees for election at the Annual Meeting of Stockholders or for appointment to fill vacancies on the Board, and by developing and recommending corporate governance guidelines. The Board adopted a Charter for the Nominating and Governance Committee, a copy of which was appended to the 2004 Proxy Statement.

Nominees are chosen for their ability to represent all of the stockholders, and for their character, judgment, fairness and overall ability. As a group, they are expected to set the appropriate policy for the Company, and to bring to the Board of Directors broad experience in business matters and an insight and awareness of the appropriate and ever changing role that corporations should have in society. Because the advice of those facing similar problems is of particular value, executive officers of other corporations are desirable nominees.

The following personal criteria will be considered in selecting candidates for the Board of Directors:

- Independence
- Wisdom
- Integrity
- Understanding and general acceptance of our corporate philosophy
- Valid business or professional knowledge and experience that can bear on our strategies and deliberations
 - Proven record of accomplishment
 - Willingness to speak one’s mind
 - Ability to challenge and stimulate management
 - Future orientation
 - Willingness to commit time and energy

The Nominating Committee will also consider nominations from stockholders, which are made in writing to the Secretary of the Company and comply with Bylaw requirements. The recommendation must contain sufficient background information concerning the nominee to enable a proper judgment to be made as to his or her qualifications. Recommendations must also include a written statement from the candidate expressing a willingness to serve.

REPORT OF THE AUDIT AND FINANCE COMMITTEE

The Audit and Finance Committee recommends in advance the independent registered public accounting firm to be retained by the Company to provide audit and audit related services. In addition, the Chair of the Audit and Finance Committee pre-approves any engagement of accountants to provide non-audit services and all such engagements are reviewed and ratified by the Committee at its next meeting.

In fulfilling its oversight responsibilities, the Audit and Finance Committee reviewed and discussed with management the audited consolidated financial statements of the Company to be set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2008. The Audit and Finance Committee also discussed with Dixon-Hughes, PLLC, the Company's independent registered public accounting firm responsible for expressing an opinion on the conformity of those audited consolidated financial statements with accounting principles generally accepted in the United States of America, the matters required to be discussed by the Statement on Auditing Standards No. 61, "Communication with Audit Committees," as amended. The Statement on Auditing Standards No. 61 includes, among other items, matters relating to the conduct of an audit of the Company's consolidated financial statements under generally accepted auditing standards.

As discussed more fully below, the Audit and Finance Committee has received the written disclosures and the letter from Dixon-Hughes, PLLC required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committee", has considered the compatibility of nonaudit services with the auditors' independence, and has discussed with Dixon-Hughes, PLLC their independence from the Company.

In reliance on the review and discussions referred to above, the Audit and Finance Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for 2008 for filing with the Securities and Exchange Commission.

The foregoing report is submitted by the Audit and Finance Committee in accordance with the requirements of the Securities Exchange Act of 1934 (as amended) and the rules and regulations hereunder.

Audit Committee
Philip L. Cooley (Chair)
Titus Greene
Kenneth R. Cooper
Martin S. Fridson

INDEPENDENT PUBLIC ACCOUNTANTS

Dixon-Hughes, PLLC served as the independent registered public accounting firm for the Company for the fiscal years ended December 31, 2008 and 2007. Grant Thornton LLP served as the independent registered public accounting firm for the Company for the fiscal year ended December 31, 2006. Upon the recommendation of the Audit & Finance Committee of the Board of Directors, the Company selected Dixon Hughes, PLLC to serve as its independent registered public accounting firm commencing in 2007. Prior to this engagement, the Company had not previously consulted with Dixon Hughes, PLLC on any matters.

Dixon-Hughes, PLLC's report on the financial statements for the fiscal years ended December 31, 2008 did not contain an adverse opinion or disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope, or accounting principles. Additionally, during the fiscal years ended December 31, 2008 and 2007 there were no disagreements with Dixon-Hughes, PLLC, whether or not resolved, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to Dixon-Hughes, PLLC's, satisfaction, would have caused it to make reference to the subject matter of the disagreement in connection with its reports on the Company's financial statements for such years.

Grant Thornton, LLP's, report on the financial statements for the fiscal years ended December 31, 2006 and 2005 did not contain an adverse opinion or disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope, or accounting principles. Additionally, during the fiscal years ended December 31, 2006 and 2005 there were no disagreements with Grant Thornton, whether or not resolved, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to Grant Thornton, LLP's, satisfaction, would have caused it to make reference to the subject matter of the disagreement in connection with its reports on the Company's financial statements for such years.

During the fiscal years ended December 31, 2008 and 2007 there were no "reportable events" as that term is defined in Item 304(a)(1)(v) of Regulation S-K, except for the material weaknesses previously reported by the Company in Item 9A of its Annual Reports on Form 10-K for the year ended December 31, 2007.

Representatives of Dixon Hughes, PLLC are expected to be present at the 2009 Annual Meeting and will be given an opportunity to make any statements they desire and will also be available to respond to questions.

Summary of Accountants' Fees

Audit Fees. Dixon Hughes, PLLC's aggregate fees billed for the 2008 and 2007 annual audits of the Company's consolidated financial statements and quarterly reviews of the consolidated financial statements were \$124,671 and \$105,000, respectively. Dixon-Hughes also billed the Company during 2008 and 2007 for additional audit procedures related to: consents required for the Company's Registration Statement on Forms S-3 and S-4 of \$36,685 and \$3,650, respectively; the Company's Uniform Franchise Offering Circular for 2008 and 2007 of \$2,395 and \$1,550, respectively; \$18,000 related to the 2007 audit of Mustang Capital Advisors billed in 2008; and miscellaneous accounting consultations of \$1,545 and \$300, respectively.

Audit-Related Fees. Dixon Hughes, PLLC did not provide the Company with audit-related services in either 2008 or 2007.

Tax Fees. Dixon Hughes, PLLC did not provide the Company with tax services in either 2008 or 2007.

All Other Fees. Dixon Hughes, PLLC did not provide other services to the Company in either 2008 or 2007.

