

Ruths Hospitality Group, Inc.
Form DEF 14A
March 28, 2011
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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

RUTH S HOSPITALITY GROUP, INC.

(Name of Registrant as Specified in its Charter)

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

Payment of filing fee (Check the appropriate box.):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

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

(2) Aggregate number of securities to which transaction applies:

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials:

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

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(1) Amount previously paid:

(2) Form, schedule, or registration statement no.:

(3) Filing party:

(4) Date filed:

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The 2011 annual meeting of stockholders of Ruth's Hospitality Group, Inc. (the "Company" or "Ruth's") will be held at Ruth's Chris Steak House, 80 Colonial Center Parkway, Lake Mary, Florida 32746, on Tuesday, May 10, 2011, beginning at 1:00 P.M. local time. At the meeting, the holders of the Company's outstanding common stock and Series A Preferred Stock will act on the following matters:

- (1) the election of the six nominees as directors named in the attached proxy statement to serve terms expiring at the annual meeting of stockholders to be held in 2012 and until their successors have been elected and qualified;
- (2) to approve an advisory resolution on executive compensation;
- (3) to conduct an advisory vote on the frequency of future advisory votes on executive compensation;
- (4) the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2011; and
- (5) to transact any other business as may properly come before the meeting or any adjournment or postponement thereof.

In addition, in accordance with the terms of the Securities Purchase Agreement we entered into with Bruckmann, Rosser, Sherrill & Co. Management, L.P. and affiliates (which we refer to collectively as "BRS") on December 22, 2009, for so long as BRS beneficially owns 5% or more of our common stock on an as-converted basis, BRS, voting as a separate class to the exclusion of the holders of our common stock, is entitled to designate one individual to our Board who must be an employee of BRS or one of its affiliates. BRS has designated Mr. Stephen C. Sherrill to the Board.

Stockholders of record at the close of business on March 15, 2011 are entitled to notice of and to vote at the annual meeting and any postponements or adjournments thereof.

Whether or not you expect to be present at the meeting, please vote your shares by following the instructions on the accompanying proxy card or voting instruction card. If your shares are held in the name of a bank, broker or other record holder, their voting procedures should be described on the voting form they send to you. Any person voting by proxy has the power to revoke it at any time prior to its exercise at the meeting in accordance with the procedures described in the accompanying proxy statement.

It is important that your shares are represented at the annual meeting, whether or not you plan to attend. To ensure your shares will be represented, we ask that you vote your shares via the Internet or by telephone, as instructed on the Notice of Internet Availability of Proxy Materials or as instructed on the accompanying proxy. If you received or requested a copy of the proxy card by mail, you may submit your vote by completing, signing, dating and returning the proxy card by mail. **We encourage you to vote via the Internet or by telephone.** These methods save us significant postage and processing charges. Please vote your shares as soon as possible. This is your annual meeting and your participation is important.

By order of the Board of Directors,
Robert M. Vincent

March 28, 2011

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400 INTERNATIONAL PARKWAY, SUITE 325

HEATHROW, FLORIDA 32746

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 10, 2011

PROXY STATEMENT

The Board of Directors of Ruth's Hospitality Group, Inc. (the Company or Ruth's) is soliciting proxies from its stockholders to be used at the annual meeting of stockholders to be held on Tuesday, May 10, 2011, beginning at 1:00 P.M., at Ruth's Chris Steak House, 80 Colonial Center Parkway, Lake Mary, Florida 32746, and at any postponements or adjournments thereof. This proxy statement contains information related to the annual meeting. This proxy statement, accompanying form of proxy and the Company's annual report are first being sent or made available to stockholders on or about March 28, 2011.

NOTICE OF ELECTRONIC AVAILABILITY OF PROXY MATERIALS

In accordance with regulations adopted by the Securities and Exchange Commission (the SEC), instead of mailing a printed copy of our proxy materials, including our annual report to stockholders, to each stockholder of record, we may now furnish these materials on the Internet unless the stockholder has previously requested to receive these materials by mail or e-mail. On or about March 28, 2011, we mailed to our stockholders who have not previously requested to receive these materials by mail or e-mail a Notice of Internet Availability of Proxy Materials containing instructions on how to access this proxy statement and our annual report and to vote online. The Notice instructs you as to how you may access and review all of the important information contained in the proxy materials. The Notice also instructs you as to how you may submit your proxy on the Internet or by telephone. If you received the Notice by mail, you will not automatically receive a printed copy of our proxy materials or annual report unless you follow the instructions for requesting these materials included in the Notice.

ABOUT THE ANNUAL MEETING

Why did I receive these materials?

Our Board of Directors is soliciting proxies for the 2011 annual meeting of stockholders. You are receiving a proxy statement because you owned shares of our common stock or Series A Preferred Stock on March 15, 2011 and that entitles you to vote at the meeting. By use of a proxy, you can vote whether or not you attend the meeting. This proxy statement describes the matters on which we would like you to vote and provides information on those matters so that you can make an informed decision.

What information is contained in this proxy statement?

The information in this proxy statement relates to the proposals to be voted on at the annual meeting, the voting process, our Board and Board committees, the compensation of directors and executive officers and other information that the SEC requires us to provide annually to our stockholders.

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If I previously signed up to receive stockholder materials, including proxy statements and annual reports, by mail and wish to access these materials via the Internet or via electronic delivery in the future, what should I do?

If you have previously signed up to receive stockholder materials, including proxy statements and annual reports, by mail, you may choose to receive these materials by accessing the Internet or via electronic delivery in the future, which can help us achieve a substantial reduction in our printing and mailing costs. If you choose to receive your proxy materials by accessing the Internet, then before next year's annual meeting, you will receive a Notice of Internet Availability of Proxy Materials when the proxy materials and annual report are available over the Internet. If you choose instead to receive your proxy materials via electronic delivery, you will receive an email containing the proxy materials.

If your shares are registered in your own name (instead of through a broker or other nominee), sign up to receive proxy materials in the future by accessing the Internet or via electronic delivery by visiting the following website: www.proxyvote.com.

Your election to receive your proxy materials by accessing the Internet or by electronic delivery will remain in effect for all future stockholder meetings unless you revoke it before the meeting by following the instructions on the Notice of Internet Availability of Proxy Materials or by calling or sending a written request addressed to:

Ruth's Hospitality Group, Inc.

Attn: Robert M. Vincent

400 International Parkway, Suite 325

Heathrow, Florida 32746

(407) 333-7440

If you hold your shares in an account at a brokerage firm or bank participating in a street name program, you can sign up for electronic delivery of proxy materials in the future by contacting your broker.

How can I obtain paper copies of the proxy materials, 10-K and other financial information?

Stockholders can access the 2011 proxy statement, Form 10-K and our other filings with the SEC as well as our corporate governance and other related information on the Investor Relations page of our website at www.rhgi.com.

If you elected to receive our stockholder materials via the Internet or via electronic delivery, you may request paper copies by written request addressed to:

Ruth's Hospitality Group, Inc.

Attn: Robert M. Vincent

400 International Parkway, Suite 325

Heathrow, Florida 32746

(407) 333-7440

We will also furnish any exhibit to the 2010 Form 10-K if specifically requested.

Who is entitled to vote at the meeting?

Holders of common stock and Series A Preferred Stock, as of the close of business on the record date, March 15, 2011, will receive notice of, and be eligible to vote at, the annual meeting and at any adjournment or postponement of the annual meeting. At the close of business on the record date, we had outstanding and entitled to vote 35,182,559 shares of common stock and 25,000 shares of Series A Preferred Stock (which,

on an as-converted basis, are entitled to an aggregate of 8,620,690 votes).

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How many votes do I have?

Each outstanding share of our common stock you owned as of the record date will be entitled to one vote for each matter considered at the meeting. Each outstanding share of Series A Preferred Stock is entitled to approximately 344.83 votes (one vote per share of common stock issuable upon the conversion of the Series A Preferred Stock). Our common stockholders and Series A Preferred stockholders vote together as a single class on each matter presented at the annual meeting, except for those matters on which the Series A Preferred stockholders are entitled to vote as a separate class. There is no cumulative voting.

Who can attend the meeting?

Only persons with evidence of stock ownership as of the record date or who are invited guests of the Company may attend and be admitted to the annual meeting of the stockholders. Stockholders with evidence of stock ownership as of the record date may be accompanied by one guest. Photo identification will be required (a valid driver's license, state identification or passport). If a stockholder's shares are registered in the name of a broker, trust, bank or other nominee, the stockholder must bring a proxy or a letter from that broker, trust, bank or other nominee or their most recent brokerage account statement that confirms that the stockholder was a beneficial owner of shares of stock of the Company as of the record date. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration will begin at 12:00 noon, and seating will begin at 12:30 P.M.

Cameras (including cell phones with photographic capabilities), recording devices and other electronic devices will not be permitted at the meeting.

What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding on the record date (including shares of our Series A Preferred Stock on an as-converted basis to common stock) will constitute a quorum, permitting the conduct of business at the meeting.

Proxies received but marked as abstentions and broker non-votes, if any, will be included in the calculation of the number of votes considered to be present at the meeting for the purposes of a quorum.

How do I vote?

If you are a holder of record (that is, your shares are registered in your own name with our transfer agent), you can vote either in person at the annual meeting or by proxy without attending the annual meeting. We urge you to vote by proxy even if you plan to attend the annual meeting so that we will know as soon as possible that enough votes will be present for us to hold the meeting. If you attend the meeting in person, you may vote at the meeting and your proxy will not be counted. You can vote by proxy by any of the following methods.

Our Board of Directors has designated Michael P. O'Donnell and Robert M. Vincent, and each or any of them, as proxies to vote the shares of common stock solicited on its behalf.

Voting by Telephone or Through the Internet. If you are a registered stockholder (that is, if you own shares in your own name and not through a broker, bank or other nominee that holds shares for your account in a street name capacity), you may vote by proxy by using either the telephone or Internet methods of voting. Proxies submitted by telephone or through the Internet must be received by May 9, 2011. Please see the Notice of Internet Availability or proxy card for instructions on how to access the telephone and Internet voting systems.

Voting by Proxy Card. Each stockholder electing to receive stockholder materials by mail may vote by proxy by using the accompanying proxy card. When you return a proxy card that is properly signed and completed, the shares represented by your proxy will be voted as you specify on the proxy card.

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If you hold your shares in street name, you must either direct the bank, broker or other record holder of your shares as to how to vote your shares, or obtain a proxy from the bank, broker or other record holder to vote at the meeting. Please refer to the voter instruction cards used by your bank, broker or other record holder for specific instructions on methods of voting, including by telephone or using the Internet.

Your shares will be voted as you indicate. If you return the proxy card but you do not indicate your voting preferences, then your shares will not be voted on any proposal other than the ratification of our auditors and the individuals designated as proxies will vote your shares FOR the ratification of our auditors. The Board and management do not intend to present any matters at this time at the annual meeting other than those outlined in the notice of the annual meeting. Should any other matter requiring a vote of stockholders arise, stockholders returning the proxy card confer upon the individuals designated as proxies discretionary authority to vote the shares represented by such proxy on any such other matter in accordance with their best judgment.

Can I change my vote?

Yes. If you are a stockholder of record, you may revoke or change your vote at any time before the proxy is exercised by filing a notice of revocation with the secretary of the Company, mailing a proxy bearing a later date, submitting your proxy again by telephone or over the Internet or by attending the annual meeting and voting in person. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, bank or other nominee or, if you have obtained a legal proxy from your broker, bank or other nominee giving you the right to vote your shares, by attending the meeting and voting in person. In either case, the powers of the proxy holders will be suspended if you attend the meeting in person and so request, although attendance at the meeting will not by itself revoke a previously granted proxy.

How are we soliciting this proxy?

We are soliciting this proxy on behalf of our Board of Directors and will pay all expenses associated with this solicitation. In addition to mailing these proxy materials, certain of our officers and other employees may, without compensation other than their regular compensation, solicit proxies through further mailing or personal conversations, or by telephone, facsimile or other electronic means. We will also, upon request, reimburse brokers and other persons holding stock in their names, or in the names of nominees, for their reasonable out-of-pocket expenses for forwarding proxy materials to the beneficial owners of our stock and to obtain proxies.

Will stockholders be asked to vote on any other matters?

To our knowledge, stockholders will vote only on the matters described in this proxy statement. However, if any other matters properly come before the meeting, the individuals designated as proxies for stockholders will vote on those matters in the manner they consider appropriate.

What vote is required to approve each item?

Directors are elected by a plurality of the votes cast at the meeting, which means that the six nominees who receive the highest number of properly executed votes will be elected as directors, even if those nominees do not receive a majority of the votes cast. A properly executed proxy marked withhold authority with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

The advisory resolution on executive compensation, commonly referred to as a say-on-pay resolution, is non-binding on the Board of Directors. Although the vote is non-binding, the Board of Directors and the Compensation Committee will review the voting results in connection with their ongoing evaluation of our compensation program.

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The advisory vote on the frequency of future advisory votes on executive compensation is non-binding on the Board of Directors. Stockholders will be able to specify one of four choices for this proposal on the proxy card: one year, two years, three years or abstain. Notwithstanding the Board's recommendation and the outcome of the stockholder vote, the Board may in the future decide to conduct advisory votes on a more frequent basis and may vary its practice based on factors such as discussions with stockholders and the adoption of material changes to compensation programs.

The ratification of the appointment of KPMG LLP to serve as the Company's independent auditors for fiscal 2011 requires the affirmative vote of the majority of the votes present, in person or by proxy, and entitled to vote at the meeting.

How are votes counted?

In the election of directors, you may vote **FOR** all or some of the nominees or your vote may be **WITHHELD** with respect to one or more of the nominees. You may not cumulate your votes for the election of directors.

For the advisory vote on the frequency of future advisory votes on executive compensation, you may vote for **ONE YEAR**, **TWO YEARS**, **THREE YEARS** or **ABSTAIN**. For the advisory resolution on executive compensation and the ratification of the appointment of KPMG LLP to serve as the Company's independent auditors for fiscal 2011, you may vote **FOR**, **AGAINST** or **ABSTAIN**. Abstentions are considered to be present and entitled to vote at the meeting and, therefore, will have the effect of a vote against the appointment of KPMG LLP to serve as the Company's independent auditors for fiscal 2011.

If you hold your shares in street name, the Company has supplied copies of its proxy materials for its 2011 annual meeting of stockholders to the broker, bank or other nominee holding your shares of record and they have the responsibility to send these proxy materials to you. Your broker, bank or other nominee is permitted to vote your shares on the appointment of KPMG LLP as our independent auditor without receiving voting instructions from you. In contrast, the election of directors, the advisory vote on executive compensation and the advisory vote on the frequency of advisory votes on executive compensation are non-discretionary items. This means brokerage firms that have not received voting instructions from their clients on these proposals may not vote on them. These so-called broker non-votes will be included in the calculation of the number of votes considered to be present at the meeting for purposes of determining a quorum, but will not be considered in determining the number of votes necessary for approval and will have no effect on the outcome of the vote for directors, the advisory vote on executive compensation and the advisory vote on the frequency of advisory votes on executive compensation.

What happens if a nominee for director declines or is unable to accept election?

If any nominee should become unavailable, which is not anticipated, the persons voting the accompanying proxy may vote for a substitute nominee designated by our Board or our Board may reduce the number of directors.

Why is BRS able to designate a director to the Board?

On December 22, 2009, we entered into a Securities Purchase Agreement with BRS, pursuant to which BRS acquired 25,000 shares of a new class of Series A Preferred Stock in a private placement transaction for an aggregate purchase price of \$25.0 million. Each outstanding share of Series A Preferred Stock is entitled to approximately 344.83 votes (one vote per share of common stock issuable upon the conversion of the Series A Preferred Stock), resulting in BRS owning an aggregate of 19.7% of our outstanding voting shares as of March 15, 2011. In addition, for so long as BRS beneficially owns 5% or more of our common stock on an as-converted basis, BRS, voting as a separate class to the exclusion of the holders of our common stock, is entitled to designate one individual to our Board who must be an employee of BRS or one of its affiliates.

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What should I do if I receive more than one set of voting materials?

You may receive more than one set of voting materials, including multiple copies of this proxy statement, proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please vote your shares applicable to each proxy card and voting instruction card that you receive.

Where can I find the voting results of the annual meeting?

The Company intends to announce the preliminary voting results at the annual meeting and publish the final results in a Form 8-K within four business days following the annual meeting.

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The following table sets forth information known to the Company regarding beneficial ownership of the Company's common stock, as of March 15, 2011, by each person known by the Company to own more than 5% of our common stock, each director and each of the executive officers identified in the Summary Compensation Table and by all of its directors and executive officers as a group (ten persons). The table lists the number of shares and percentage of shares beneficially owned based on 35,182,559 shares of common stock outstanding as of March 15, 2011. Information in the table is derived from SEC filings made by such persons on Schedule 13G and/or under Section 16(a) of the Securities Exchange Act of 1934, as amended, and other information received by the Company. Except as indicated in the footnotes to this table, and subject to applicable community property laws, the persons or entities named have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

Name of Beneficial Owner	Number of Shares	
	Beneficially Owned(1)	Percent of Class
Principal Stockholders:		
BRS(2)	8,620,690	19.7%
FMR LLC(3)	5,272,674	15.0%
MFP Partners, L.P.(4)	2,553,977	7.3%
BlackRock, Inc.(5)	1,842,236	5.2%
Directors, excluding Chief Executive Officer		
Stephen C. Sherrill(6)	8,620,690	19.7%
Robin P. Selati	3,619	*
Bannus B. Hudson(7)	96,200	*
Alan Vituli(8)	91,045	*
Carla R. Cooper(9)	58,728	*
Robert S. Merritt(10)	35,000	*
Named Executive Officers		
Michael P. O'Donnell(11)	660,169	1.9%
Robert M. Vincent(12)	105,500	*
Samuel A. Tancredi(13)	128,000	*
Kevin W. Toomy(14)	153,000	*
All, directors and executive officers as a group (ten persons)	9,951,951	22.7%

* Less than one percent

- (1) Unless otherwise indicated and subject to community property laws where applicable, the individuals and entities named in the table above have sole voting and investment power with respect to all shares of our stock shown as beneficially owned by them. Beneficial ownership and percentage ownership are determined in accordance with the rules of the SEC. In calculating the number of shares beneficially owned by an individual or entity and the percentage ownership of that individual or entity, shares underlying options, warrants and Series A Convertible Preferred Stock held by that individual or entity that are either currently exercisable or exercisable within 60 days from March 15, 2011 are deemed outstanding. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other individual or entity. The amounts also include unvested shares of restricted stock for certain executive officers and directors, as specified in the applicable footnotes. The business address of each of our named executive officers and directors is 400 International Parkway, Suite 325, Heathrow, Florida 32746.
- (2) The information provided in the table and the information below reflects information reported by the stockholder on Schedule 13G filed on February 19, 2010. Bruckmann, Rosser, Sherrill & Co. III, L.P., a Delaware limited partnership (the "Fund"), is the record owner of 19,817,71285 shares of the Company's Series A Preferred Stock and BRS Coinvestor III, L.P., a Delaware limited partnership (the "Co-Invest Fund," and together with the Fund, the "Investors"), is the record owner of 5,182,28715 shares of the

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- Company's Series A Preferred Stock, which are convertible into approximately 8,620,690 shares of common stock in the aggregate as of March 15, 2011. The sole general partner of the Fund is BRS GP III, L.P., a Delaware limited partnership (BRS GP III), of which the sole general partner is Bruckmann, Rosser, Sherrill & Co. III, L.L.C., a Delaware limited liability company (BRS III). The sole general partner of the Co-Invest Fund is BRS Coinvestor GP III, L.L.C., a Delaware limited liability company (BRS Co-Investor GP). Due to their relationship to the Investors, each of BRS GP III, BRS III and BRS Co-Investor GP may be deemed to have shared voting and investment power with respect to the common stock beneficially owned by the Investors. As such, BRS GP III, BRS III and BRS Co-Investor GP may be deemed to have shared beneficial ownership over such shares of common stock. Each of BRS GP III, BRS III and BRS Co-Investor GP, however, disclaims beneficial ownership of such shares of common stock except to the extent of its pecuniary interest therein. The address for the entities is 126 East 56th Street, 29th Floor, New York, New York 10022.
- (3) The information provided in the table and the information below reflects information reported by the stockholder on Schedule 13G/A filed by FMR LLC on February 14, 2011 on which FMR LLC reported sole voting power over 596,480 shares of common stock and sole dispositive power over 5,272,674 shares of our common stock. Fidelity Management & Research Company, a wholly-owned subsidiary of FMR LLC and an investment advisor registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 4,676,194 shares of our common stock as a result of acting as investment advisor to various investment companies registered under Section 8 of the Investment Company Act of 1940. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity and the funds, each has sole power to dispose of the 4,676,194 shares owned by the funds. Through their ownership of FMR LLC stock and rights under a stockholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d has sole power to vote or direct the voting of shares owned directly by the Fidelity Funds, which power resides with the funds' Board of Trustees. The business address is 82 Devonshire Street, Boston, Massachusetts 02109.
 - (4) The information provided in the table and the information below reflects information reported on Schedule 13G dated February 11, 2011 filed by MFP Investors LLC, MFP Partners, L.P. and Michael F. Price. MFP Investors LLC is the general partner of MFP Partners, L.P. Michael F. Price is the managing partner of MFP Partners, L.P. and the managing member and controlling person of MFP Investors LLC. MFP Partners, L.P. has the shared power to vote 2,535,493 shares of the common stock. As the general partner of MFP Partners, L.P., MFP Investors LLC is deemed to own 2,553,977 shares of the common stock. The address for the entities is 667 Madison Ave, 25th Floor, New York, New York 10065.
 - (5) The information provided in the table and the information below reflects information reported on Schedule 13G dated February 8, 2011 filed by BlackRock, Inc., which has sole voting and dispositive power over 1,842,236 shares of common stock. The address for BlackRock, Inc is 40 East 52nd Street, New York, New York 10022.
 - (6) All of such shares are held by affiliates of BRS as described in footnote 2 above. Mr. Sherrill is a founder and has been a Managing Director of Bruckmann, Rosser, Sherrill & Co. III, L.L.C., a Delaware limited liability company, and BRS Coinvestor GP III, L.L.C., a Delaware limited liability company, and therefore may be deemed to share voting and investment power over the shares owned by these entities. Mr. Sherrill disclaims beneficial ownership of all such shares.
 - (7) Includes 10,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008, 35,000 shares of restricted stock that vest pro rata on an annual basis over a three year period which began on May 25, 2010 and 44,200 shares of common stock issuable upon exercise of options exercisable within 60 days of March 15, 2011.
 - (8) Includes 10,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008, 35,000 shares of restricted stock that vest pro rata on an annual basis over a three year period which began on May 25, 2010 and 4,200 shares of common stock issuable upon exercise of options exercisable within 60 days of March 15, 2011. All restricted stock and stock options are held by The Vituli Family Trust.

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- (9) Includes 10,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on February 28, 2008, 35,000 shares of restricted stock that vest pro rata on an annual basis over a three year period which began on May 25, 2010 and 4,200 shares of common stock issuable upon exercise of options exercisable within 60 days of March 15, 2011.
- (10) Includes 35,000 shares of restricted stock that vest pro rata on an annual basis over a three year period which began on May 25, 2010.
- (11) Includes 275,000 shares of restricted stock that vest upon completion of a 3 year cliff vesting period which began on May 25, 2010 and 320,000 shares of common stock issuable upon exercise of options exercisable within 60 days of March 15, 2011.
- (12) Includes 75,000 shares of restricted stock that vest pro rata on an annual basis over a five year period which began on March 17, 2008.
- (13) Includes 80,000 shares of restricted stock that vest upon completion of a 3 year cliff vesting period which began on May 25, 2010 and 48,000 shares of common stock issuable upon exercise of options exercisable within 60 days of March 15, 2011.
- (14) Includes 80,000 shares of restricted stock that vest upon completion of a 3 year cliff vesting period which began on May 25, 2010, 25,000 shares of restricted stock that vest upon completion of a 3 year cliff vesting which began on January 25, 2011 and 48,000 shares of common stock issuable upon exercise of options exercisable within 60 days of March 15, 2011.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires that our executive officers, directors and greater than 10% stockholders file reports of ownership and changes of ownership of common stock with the SEC and the NASDAQ Global Select Market. Based on a review of the SEC filed ownership reports during fiscal 2010, the Company believes that all Section 16(a) filing requirements were met during the fiscal year ended December 26, 2010.

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PROPOSAL NO. 1

ELECTION OF DIRECTORS

General

The Company's amended and restated Certificate of Incorporation provides that the number of directors shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the total number of directors then in office. The number of authorized directors as of the date of this proxy statement is seven. The Board currently is composed of seven directors, with each director serving until the next annual meeting or until his or her successor is elected. In accordance with the terms of the Securities Purchase Agreement we entered into with BRS on December 22, 2009, for so long as BRS beneficially owns 5% or more of our common stock on an as-converted basis, BRS, voting as a separate class to the exclusion of the holders of our common stock, is entitled to designate one individual to our Board who must be an employee of BRS or one of its affiliates. BRS has designated Mr. Stephen C. Sherrill, identified below, to the Board. Mr. Sherrill replaced Harold O. Rosser II as BRS's designee to our Board in January 2011. The six candidates nominated by the Board for election as directors at the 2011 annual meeting of stockholders are also identified below, each of whom is currently a member of the Board.

All of the nominees have indicated to the Company that they will be available to serve as directors. If any nominee named herein for election as a director should, for any reason, become unavailable to serve prior to the annual meeting, the Board may, prior to the annual meeting, (i) reduce the size of the Board to eliminate the position for which that person was nominated, (ii) nominate a new candidate in place of such person or (iii) leave the position vacant to be filled at a later time. The information presented below for the director designee and nominees has been furnished to the Company by the director designee and nominees.

BRS Director Designee

Stephen C. Sherrill

Mr. Stephen C. Sherrill, age 57, has served as a member of our Board of Directors since January 2011. Mr. Sherrill is a founder and has been a Managing Director of Bruckmann, Rosser, Sherrill & Co., Inc. since its formation in 1995. Mr. Sherrill has been a director of B&G Foods since its formation in 1996 and has been chairman since August 2005. Mr. Sherrill was an officer of Citicorp Venture Capital from 1983 until 1994. Prior to that, he was an associate at the New York law firm of Paul, Weiss, Rifkind, Wharton & Garrison. Mr. Sherrill has previously served as a director of the Remington Arms Company, Inc. and Lazy Days R.V. Center, Inc. Mr. Sherrill has many years of experience as a private equity investor and has served on the boards of directors of many public and private companies. Mr. Sherrill has expertise in financial oversight, strategic planning, corporate development, mergers and acquisitions, debt and equity financing and executive compensation.

Director Nominees for Election by Our Stockholders

The following paragraphs provide biographies of each of the candidates nominated by our Board for election by our stockholders. These biographies contain information regarding the nominee's service as a director, business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications or skills that caused the Nominating and Corporate Governance Committee and the Board to determine that the person should serve as one of our directors. In addition, we believe that each director nominee, as well as the BRS director designee, possesses the characteristics that are expected of all directors, namely, independence, integrity, adherence to high ethical standards and sound business judgment.

Michael P. O'Donnell

Mr. O'Donnell, age 55, has served as a director and as the Company's President and Chief Executive Officer since August 2008 and as Chairman of the Board since October 2010. Mr. O'Donnell has spent more than 25 years in the restaurant industry, having been most recently Chairman of the Board of Directors, President

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and Chief Executive Officer of Champps Entertainment, Inc. from March 2005 until the company was sold in 2007. Prior to that, Mr. O'Donnell served in several leadership positions in the restaurant industry, including Chief Executive Officer of Sbarro, Inc., President and Chief Executive Officer of New Business and President of Roy's for Outback Steakhouse, Inc., President and Chief Operating Officer of Miller's Ale House, Chairman, President and Chief Executive Officer of Ground Round Restaurants, Inc. and key operation positions with T.G.I. Friday's and Pizza Hut. Mr. O'Donnell currently serves as a director with Cosi, Inc., Sbarro and Logan's Roadhouse. In addition to his leadership skills, Mr. O'Donnell has extensive experience with other restaurant companies and is very knowledgeable of the restaurant industry.

Robin P. Selati

Mr. Selati, age 45, has served as a member of our Board of Directors since September 1999, and served as Chairman of our Board of Directors from April 2005 to September 2006 and from April 2008 to October 2010. Mr. Selati is a Managing Director of Madison Dearborn Partners, LLC (Madison Dearborn) and joined the firm in 1993. Before 1993, Mr. Selati was with Alex. Brown & Sons Incorporated. Mr. Selati currently serves on the Board of Directors of BF Bolthouse Holdco LLC, CDW Corporation and The Yankee Candle Company, Inc. During the previous five years, Mr. Selati also served as a director for Tuesday Morning Corporation, Carrols Restaurant Group, Inc., Pierre Holding Corporation, Family Christian Stores, Inc., NWL Holdings, Inc. and Cinemark, Inc. Mr. Selati is very knowledgeable of the capital markets, public company strategies and executive compensation.

Carla R. Cooper

Ms. Cooper, age 60, has served as a member of our Board of Directors since December 2003. Ms. Cooper is President and Chief Executive Officer of Daymon Worldwide. Ms. Cooper served as Senior Vice President of Quaker, Tropicana and Gatorade Sales for PepsiCo, Inc. from November 2003 to August 2009. From February 2001 to October 2003, Ms. Cooper served as President of Kellogg Company's Natural and Frozen Foods Division. From February 2000 to February 2001, Ms. Cooper was Senior Vice President and General Manager of Foodservice for Kellogg Company. From June 1988 to November 2000, Ms. Cooper was employed in various positions with Coca-Cola USA, including as Vice President, Customer Marketing. Ms. Cooper has extensive experience in sales, marketing and franchising in the food industry and has insight into vendor relationships.

Bannus B. Hudson

Mr. Hudson, age 65, was elected to our Board of Directors in June 2005. Mr. Hudson served as Chairman of the Board of Beverages & More, Inc. from November 1998 to February 2007. From October 1997 to February 2007, Mr. Hudson served as President and Chief Executive Officer of Beverages & More, Inc. Mr. Hudson has leadership experience in food companies and is very knowledgeable of human resource management.

Robert S. Merritt

Mr. Merritt, age 59, has served as a member of our Board of Directors since October 2009. From January 2000 to April 2009, Mr. Merritt served as Chairman of the Board of Directors for Cosi, Inc., a NASDAQ listed restaurant company. From March 2007 to September 2008, Mr. Merritt served as Cosi, Inc.'s Interim Chief Executive Officer and President, while continuing to serve as a director. In 2005, Mr. Merritt retired from Outback Steakhouse, Inc., where he served as Senior Vice President of Finance, Chief Financial Officer, Treasurer and Secretary since February 1991, and served as Vice President and Chief Financial Officer from January 1990 to February 1991. Mr. Merritt also served as a director for Outback Steakhouse, Inc. and each of its subsidiaries and affiliates from 1992 to 2005. From 1988 to 1989, he served as Executive Vice President of Administration and Chief Financial Officer of JB's Restaurants, Inc., a restaurant operator. From 1985 to 1988,

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he was Vice President of Finance for JB's Restaurants. From 1981 to 1985, Mr. Merritt was employed by Vie de France Corporation, a restaurant and specialty baking company, as Vice President of Finance and Accounting and Chief Financial Officer. Mr. Merritt has knowledge and experience in accounting as well as restaurant finances, and extensive leadership experience with public restaurant companies.

Alan Vituli

Mr. Vituli, age 69, has served as a member of our Board of Directors since December 2003. Mr. Vituli has served as Chairman of the Board of Directors of Carrols Restaurant Group, Inc. and as Chief Executive Officer of Carrols Holdings Corporation since 1992. Mr. Vituli has extensive accounting expertise and experience in the restaurant industry as well as executive leadership skills.

The Board of Directors recommends a vote FOR the election of each of the six candidates nominated for director by the Board listed above.

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board Leadership Structure

Our Board does not have a policy on whether the same person should serve as both the Chief Executive Officer and Chairman of the Board or, if the roles are separate, whether the Chairman should be selected from the non-employee directors or should be an employee. Our Board believes that it should have the flexibility to periodically determine the leadership structure that it believes is best for the Company. The Board believes that its current leadership structure, with Mr. O'Donnell serving as both Chief Executive Officer and Chairman of the Board, is appropriate given Mr. O'Donnell's past experience serving in these roles, the efficiencies of having the Chief Executive Officer also serve in the role of Chairman and our strong corporate governance structure.

Since the Company's current Chairman also serves as Chief Executive Officer, our Board appointed Robin P. Selati as our Lead Director. The Chairman and Chief Executive Officer consults periodically with the Lead Director on Board matters and on issues facing the Company. In addition, the Lead Director serves as the principal liaison between the Chairman of the Board and the independent directors and presides at executive sessions of non-management directors at regularly scheduled Board meetings. The Board believes that these executive sessions are beneficial to the Company because it provides a forum where the independent directors can discuss issues without management present.

Board Role in Risk Oversight

The Board is actively involved in the oversight of risks that could affect the Company. This oversight is conducted primarily through committees of the Board, as disclosed in the descriptions of each of the committees below and in the charters of each of the committees. However, the full Board has retained responsibility for the general oversight of risks. The Board satisfies this responsibility through full reports by each committee chair regarding the committee's considerations and actions, as well as through regular reports directly from officers responsible for oversight of particular risks within the Company.

Risk Considerations in our Compensation Program

The Board believes that our compensation policies and practices are reasonable and properly align our employees' interests with those of our stockholders. The Board believes that there are a number of factors that cause our compensation policies and practices to not have a material adverse effect on the Company. The fact that our executive officers and other employees have their incentive compensation tied to earnings, rather than revenues, encourages actions that improve the Company's profitability over the short and long term. Furthermore, our stock option plan further aligns the interests of our executive officers and other employees with the long term interests of our stockholders. In addition, our Compensation Committee reviews our compensation policies and practices to ensure that such policies and practices do not encourage our executive officers and other employees to take action that is likely to create a material adverse effect on the Company.

Code of Conduct and Ethics

The Company's employees, officers and directors are required to abide by the Company's Code of Conduct and Ethics (the "Code of Ethics"), which is intended to insure that the Company's business is conducted in a consistently legal and ethical manner. The Code of Ethics covers all areas of professional conduct, including, among other things, conflicts of interest, fair dealing and the protection of confidential information, as well as strict compliance with all laws, regulations and rules. Any material waiver or changes to the policies or procedures set forth in the Code of Ethics in the case of officers or directors may be granted only by the Board and will be disclosed on our website within four business days. The full text of the Code of Ethics is published on the Investor Relations section of our website at www.rhgi.com.

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Number of Meetings of the Board of Directors

The Board held five meetings during fiscal 2010. Directors are expected to attend Board meetings and committee meetings for which they serve, and to spend time needed to meet as frequently as necessary to properly discharge their responsibilities. Each director attended at least 75% of the aggregate number of meetings of the Board and the Board committees on which he or she served during the period.

Attendance at Annual Meetings of the Stockholders

The Company has no policy requiring directors and director nominees to attend its annual meeting of stockholders; however, all directors and director nominees are encouraged to attend.

Director Independence

The rules of the NASDAQ Global Select Market require that the Board be comprised of a majority of independent directors and that the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee each be comprised solely of independent directors, as defined under applicable NASDAQ rules.

The Board has determined that each of the director nominees standing for election, except Michael P. O'Donnell, our President and Chief Executive Officer, and director designee have no relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and is an independent director. In determining the independence of our directors, the Board has adopted independence standards that mirror the criteria specified by applicable laws and regulations of the SEC and NASDAQ.

Communications between Stockholders and the Board

Stockholders may send communications to the Company's directors as a group or individually by writing to those individuals or the group: c/o the Corporate Secretary, 400 International Parkway, Suite 325, Heathrow, Florida 32746. The Corporate Secretary will review all correspondence received and will forward all correspondence that is relevant to the duties and responsibilities of the Board or the business of the Company to the intended director(s). Examples of inappropriate communication include business solicitations, advertising and communication that are frivolous in nature, communication that relates to routine business matters (such as product inquiries, complaints or suggestions) or communication that raises grievances which are personal to the person submitting them. Upon request, any director may review communication that is not forwarded to the directors pursuant to this policy.

Committees of the Board of Directors

Our Board currently has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The composition, duties and responsibilities of these committees are set forth below. Committee members hold office for a term of one year.

Audit Committee. The Audit Committee was established in accordance with section 3(a)(58)(A) of the Exchange Act and is responsible for:

assisting the Board in monitoring the integrity of our financial statements and financial reporting process, the systems of internal accounting and financial controls, the independent auditors' qualifications and independence, the performance of the independent auditors and our internal audit function and our compliance with legal and regulatory requirements;

selecting and overseeing the independent auditors;

approving all audit and non-audit services provided by the independent auditors, including the overall scope of the audit;

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discussing the annual audited financial and quarterly statements with management and the independent auditor, and other matters required to be communicated to the Audit Committee;

discussing earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;

discussing policies with respect to risk assessment and risk management in order to make recommendations to the Board;

establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and the monitoring of these complaints through the ethics hotline and other established reporting channels;

reviewing related-party transactions presented to the Audit Committee;

meeting separately, periodically, with management and the independent auditor;

reviewing annually the independent auditors' report describing the auditing firm's internal quality control procedures and any material issues raised by the most recent internal quality control review, or peer review, of the auditing firm;

setting clear hiring policies for employees or former employees of the independent auditors;

handling such other matters that are specifically delegated to the Audit Committee by the Board of Directors from time to time; and

reporting regularly to the full Board of Directors.

Our Audit Committee consists of Mr. Merritt, as Chairman, Ms. Cooper and Mr. Hudson, each of whom satisfies the current financial literacy requirements and independence requirements of the NASDAQ Global Select Market and the SEC, applicable to audit committee members. Our Board of Directors has determined that Mr. Merritt qualifies as an audit committee financial expert, as such term is defined in Item 407(d) of Regulation S-K. The Audit Committee held seven meetings in fiscal 2010. The charter of the Audit Committee is available on the Investor Relations section of our website at www.rhgi.com.

Compensation Committee. The Compensation Committee is responsible for: