

J. Alexander's Holdings, Inc.
Form DEFM14A
December 21, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

J. ALEXANDER S HOLDINGS, INC.

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

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No fee required

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

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

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

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

- (4) Proposed maximum aggregate value of transaction:

- (5) Total fee paid:

Fee paid previously with preliminary materials.

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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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Dear Shareholder,

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

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

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

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

THE TRANSACTION PROVIDES SIGNIFICANT VALUE TO SHAREHOLDERS

Substantial Operating and Financial Strength

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

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

Compelling Financial Dynamics

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

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

Increased Scale and New Opportunities for Growth

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

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

Termination of Existing Consulting Agreement

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

Disinterested Shareholder Vote

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

THE TRANSACTION IS THE RESULT OF RIGOROUS NEGOTIATIONS

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

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

VOTE FOR THE MERGER AGREEMENT AND THE TRANSACTIONS

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

FOR the proposal to approve the Merger Agreement,

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

FOR the proposal to approve the Reclassification Amendment,

FOR the proposal to approve the Authorized Shares Amendment,

FOR the proposal to approve the CSAA Amendment, and

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

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

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

Very truly yours,

Lonnie J. Stout II
President & Chief Executive Officer

Frank R. Martire
Chairman of the Board

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

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3401 West End Avenue, Suite 260

P.O. Box 24300

Nashville, Tennessee 37202

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

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

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

- (1) To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated August 3, 2017 (the "Merger Agreement"), by and among the Company, J. Alexander's Holdings, LLC, a Delaware limited liability company and a majority-owned subsidiary of the Company ("JAX Op"), Nitro Merger Sub, Inc., a Tennessee corporation and a wholly owned subsidiary of JAX Op ("Merger Sub"), Cannae Holdings, LLC (formerly known as Fidelity National Financial Ventures, LLC), a Delaware limited liability company ("FNFV"), Fidelity Newport Holdings, LLC, a Delaware limited liability company ("FNH" and together with FNFV, the "Sellers"), and 99 Restaurants, LLC, a Delaware limited liability company ("99 Restaurants"). **THE MERGER WILL ONLY OCCUR IF PROPOSALS NO. 2, 3A, 3B AND 4 ARE ALSO APPROVED;**
- (2) To consider and vote upon a proposal to approve all of the transactions contemplated by the Merger Agreement, including the merger (collectively, the "Transactions"), by disinterested shareholders' action pursuant to Section 48-18-704 of the Tennessee Business Corporation Act (the "TBCA");
- (3a) To consider and vote upon a proposal to approve an amendment to the Company's current Amended and Restated Charter (the "Charter") to (i) reclassify the Company's currently outstanding common stock, par value \$0.001 per share ("Current Common Stock"), as Class A common stock, par value \$0.001 per share ("Class A Common Stock") and (ii) authorize a new class of Class B common stock of the Company, par value \$0.001 per share ("Class B Common Stock") (the "Reclassification Amendment");
- (3b) To consider and vote upon a proposal to approve an amendment to the Charter to increase the number of authorized shares of capital stock of the Company (the "Authorized Shares Amendment");
- (4) To consider and vote upon a proposal to approve an amendment to the Charter to provide that, following the completion of the Transactions, the Company's capital stock will no longer be subject to the Tennessee Control Share Acquisition Act (the "CSAA"), and to eliminate a provision that has sunsetted (such

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

(5) To consider and vote upon a proposal to permit the Company to adjourn the special meeting, if necessary or advisable, for further solicitation of proxies if there are not sufficient votes at the originally scheduled time of the special meeting to approve the other proposals to be submitted for a vote at the Special Meeting. These items of business, including the Merger Agreement and the Transactions, are described in detail in the accompanying proxy statement. A copy of the Merger Agreement is attached as Appendix A to the proxy statement. An unmarked copy of the proposed Second Amended and Restated Charter (the Restated Charter), is attached as Appendix B to the proxy statement, and a blackline illustrating the Charter Amendments, as described herein (strikethrough text showing deletions and thick-underlined text showing additions), is attached as Appendix B-1 to the proxy statement.

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

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

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

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

By Order of the Board of Directors,

Mark A. Parkey

Executive Vice President and Chief Financial Officer

December 20, 2017

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J. ALEXANDER S HOLDINGS, INC.

3401 West End Avenue, Suite 260

P.O. Box 24300

Nashville, Tennessee 37202

PROXY STATEMENT

FOR SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JANUARY 30, 2018

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

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**QUESTIONS AND ANSWERS ABOUT THE TRANSACTIONS
AND THE SPECIAL MEETING**

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

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

Q: Why am I receiving this proxy statement?

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

Q: When and where is the Special Meeting?

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

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

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

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

Q: Who can help answer my questions?

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

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

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

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

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

Questions and Answers about Voting

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

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

Proposal 1: To approve the Merger Agreement;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Q: What vote is required to approve the proposals?

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

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

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

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

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

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

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

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

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

Q: How do I vote?

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

Q: How may I revoke or change my vote?

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

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

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

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

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

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

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

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

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

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

Proposal 5 (*Adjournment of the Special Meeting, if Necessary*): A shareholder's failure to submit a white proxy card or to vote in person at the Special Meeting, an abstention from voting, or the failure of such shareholder who holds his or her shares in street name through a broker or other nominee to give voting

instructions to such broker or other nominee will have no effect on Proposal 5, assuming a quorum of shares of Current Common Stock is present or represented at the Special Meeting.

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

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

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

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

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

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

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

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

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

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

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

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

with counterparties to the Transactions, including FNF, FNFV, FNH and BKAS.

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

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

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