

Ruths Hospitality Group, Inc.  
Form DEF 14A  
April 18, 2014

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**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 § 240.14a-12

**RUTHS 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:

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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 statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

The 2014 annual meeting of stockholders of Ruth's Hospitality Group, Inc. (the Company or Ruth's) will be held at Mitchell's Fish Market, Winter Park Village, 460 North Orlando Avenue, Suite 122, Winter Park, Florida 32789, on Thursday, May 29, 2014, beginning at 1:00 P.M. local time. At the meeting, the holders of the Company's outstanding common 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 2015 and until their successors have been elected and qualified;
- (2) the consideration of an advisory and non-binding say on pay vote regarding executive compensation, as described in the Compensation Discussion and Analysis, executive compensation tables and accompanying narrative disclosure in this proxy statement; and
- (3) the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2014; and

(4) the transaction of any other business as may properly come before the meeting or any adjournment or postponement thereof. Stockholders of record at the close of business on April 3, 2014, 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,

/s/ John F. McDonald, III

John F. McDonald, III  
Corporate Secretary

April 18, 2014

**TABLE OF CONTENTS**

<u>NOTICE OF ELECTRONIC AVAILABILITY OF PROXY MATERIALS</u>	1
<u>ABOUT THE ANNUAL MEETING</u>	1
<u>PRINCIPAL STOCKHOLDERS</u>	6
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	8
<u>PROPOSAL NO. 1 ELECTION OF DIRECTORS</u>	9
<u>PROPOSAL NO. 2 ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION</u>	11
<u>PROPOSAL NO. 3 RATIFICATION OF THE APPOINTMENT OF KPMG LLP</u>	13
<u>BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	14
<u>EXECUTIVE OFFICERS</u>	22
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	23
<u>COMPENSATION COMMITTEE REPORT</u>	30
<u>EXECUTIVE COMPENSATION</u>	31
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	40
<u>AUDIT COMMITTEE REPORT</u>	41
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES AND SERVICES</u>	42
<u>STOCKHOLDER PROPOSALS FOR THE 2015 MEETING</u>	43

**1030 W. CANTON AVENUE, SUITE 100**  
**WINTER PARK, FLORIDA 32789**  
**ANNUAL MEETING OF STOCKHOLDERS**  
**TO BE HELD MAY 29, 2014**

**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 Thursday, May 29, 2014, beginning at 1:00 P.M., at Mitchell's Fish Market, Winter Park Village, 460 North Orlando Avenue, Suite 122, Winter Park, Florida 32789, 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 April 18, 2014.

**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 April 18, 2014, 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 2014 annual meeting of stockholders. You are receiving a proxy statement because you owned shares of our common stock on April 3, 2014 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.

***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](http://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: John F. McDonald, III

1030 W. Canton Avenue, Suite 100

Winter Park, Florida 32789

(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 2014 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](http://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: John F. McDonald, III

1030 W. Canton Avenue, Suite 100

Winter Park, Florida 32789

(407) 333-7440

We will also furnish any exhibit to the 2013 Form 10-K if specifically requested.

***Who is entitled to vote at the meeting?***

Holders of common stock, as of the close of business on the record date, April 3, 2014, 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 36,026,627 shares of common stock.



***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. 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 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 Arne G. Haak, 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 28, 2014. 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.

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. Our 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 approval of the advisory resolution on executive compensation requires the affirmative vote of a majority of the votes present, in person or by proxy, and entitled to vote at the meeting. The advisory vote, commonly referred to as a say on pay vote, is non-binding on our Board. Although the vote is non-binding, our Board and our Compensation Committee will review the voting results in connection with their ongoing evaluation of our compensation program.

The ratification of the appointment of KPMG LLP to serve as the Company's independent auditors for fiscal 2014 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 resolution on executive compensation and the ratification of the appointment of KPMG to serve as the Company's independent auditors for fiscal 2014, 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 2014.

If you hold your shares in street name, the Company has supplied copies of its proxy materials for its 2014 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 and the advisory vote 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 or the advisory vote 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.

***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.

### PRINCIPAL STOCKHOLDERS

The following table sets forth information known to the Company regarding beneficial ownership of the Company's common stock, as of March 31, 2014, 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 36,057,226 shares of common stock outstanding as of March 31, 2014, which includes unvested restricted stock. 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
<b>Principal Stockholders:</b>		
BlackRock, Inc.(2)	2,784,902	7.7%
FMR LLC(3)	2,011,678	5.6%
<b>Directors, excluding Chief Executive Officer</b>		
Robin P. Selati(4)	27,346	*
Bannus B. Hudson(5)	108,199	*
Alan Vituli(6)	17,124	*
Carla R. Cooper(7)	70,727	*
Robert S. Merritt(8)	49,234	*
<b>Named Executive Officers</b>		
Peter J. Beaudrault(9)	67,976	*
Arne Haak(10)	194,895	*
Cheryl Henry(11)	112,017	*
Michael P. O'Donnell(12)	827,652	2.3%
Kevin W. Toomy(13)	212,458	*
All directors and executive officers as a group (ten persons)	1,687,628	4.7%

\* 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 and warrants held by that individual or entity that are either currently exercisable or exercisable within 60 days from March 31, 2014 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 1030 W. Canton Avenue, Suite 100, Winter Park, Florida 32789.
- (2) The information provided in the table and the information below reflects information reported on Schedule 13G/A dated January 30, 2014 filed by BlackRock, Inc., which has sole voting over 2,701,026 shares and sole dispositive power over 2,784,902 shares. The following affiliates of BlackRock, Inc. are included in the filing: BlackRock Advisors, LLC, BlackRock Investment Management, LLC, BlackRock Investment Management (Australia) Limited, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Advisors (UK) Limited, BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A. and BlackRock Japan Co Ltd. The business address for the entities is 40 East 52nd Street, 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 dated April 10, 2014 filed by FMR LLC. Fidelity Management & Research Company ( Fidelity ), a wholly-owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 778,914 shares as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940. Fidelity SelectCo, LLC ( SelectCo ), a wholly-owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 559,254 shares as a result of acting as investment adviser 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 SelectCo, and the Fidelity and SelectCo funds each has sole power to dispose of the shares owned by Fidelity and SelectCo. Neither FMR LLC nor Edward C. Johnson 3d has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds, which power resides with the Funds Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the Funds Boards of Trustees. Pyramis Global Advisors, LLC ( PGALLC ), an indirect wholly-owned subsidiary of FMR LLC and an investment adviser registered under Section 23013 of the Investment Advisers Act of 1940, is the beneficial owner of 88,450 shares as a result of acting as investment adviser to institutional accounts, non-U.S. mutual funds, or investment companies registered under Section 8 of the Investment Company Act of 1940. Pyramis Global Advisors Trust Company ( PGATC ), an indirect wholly-owned subsidiary of FMR LLC and a bank as defined in Section 3(a)(6) of the Securities Exchange Act of 1934, is the beneficial owner of 573,190 shares as a result of its serving as investment manager of institutional accounts owning such shares. Edward C. Johnson 3d and FMR LLC, through its control of PGALLC and PGATC, each has sole dispositive power over the shares and the sole power to vote or direct the voting of the shares owned by the institutional accounts or funds advised or managed by PGALLC and PGATC. FIL Limited ( FIL ), a qualified institution in which partnerships controlled by the family of Edward C. Johnson 3d or trusts for their benefit own shares, is the beneficial owner of 11,870 shares. The business address for the entities is 245 Summer Street, Boston, Massachusetts 02210, except for (i) SelectCo, which is located at 1225 17th Street, Suite 1100, Denver, Colorado 80202, (ii) PGALLC and PGATC, which are located at 900 Salem Street, Smithfield, Rhode Island 02917, and (iii) FIL, which is located at Pembroke Hall, 42 Crow Lane, Hamilton, Bermuda.
- (4) Includes 9,115 shares of restricted stock that will vest pro rata on an annual basis through July 25, 2015, 5,555 shares of restricted stock that will vest pro rata on an annual basis through March 14, 2016, and 6,280 shares of restricted stock that will vest pro rata on an annual basis through March 11, 2017.
- (5) Includes 1,623 shares of restricted stock that will vest pro rata on an annual basis through July 25, 2015, 989 shares of restricted stock that will vest pro rata on an annual basis through March 14, 2016, 6,280 shares of restricted stock that will vest pro rata on an annual basis through March 11, 2017, and 46,000 shares of common stock issuable upon exercise of options exercisable within 60 days of March 31, 2014.
- (6) Includes 1,623 shares of restricted stock that will vest pro rata on an annual basis through July 25, 2015, 989 shares of restricted stock that will vest pro rata on an annual basis through March 14, 2016, 6,280 shares of restricted stock that will vest pro rata on an annual basis through March 11, 2017, and 6,000 shares of common stock issuable upon exercise of options exercisable within 60 days of March 31, 2014. Does not include shares held by The Vituli Family Trust.
- (7) Includes 1,623 shares of restricted stock that will vest pro rata on an annual basis through July 25, 2015, 989 shares of restricted stock that will vest pro rata on an annual basis through March 14, 2016, 6,280 shares of restricted stock that will vest pro rata on an annual basis through March 11, 2017, and 6,000 shares of common stock issuable upon exercise of options exercisable within 60 days of March 31, 2014.
- (8) Includes 3,295 shares of restricted stock that will vest pro rata on an annual basis through July 25, 2015, 2,008 shares of restricted stock that will vest pro rata on an annual basis through March 14, 2016, and 6,280 shares of restricted stock that will vest pro rata on an annual basis through March 11, 2017.
- (9) Includes 33,333 shares of restricted stock that will vest pro rata on an annual basis through April 26, 2015, 2,411 shares of restricted stock that will vest pro rata on an annual basis through July 25, 2015, 1,470 shares of restricted stock that will vest pro rata on an annual basis through March 14, 2016, 8,864 shares of restricted stock that will vest upon completion of a two-year cliff vesting period on March 14, 2015, 1,661

- shares of restricted stock that will vest pro rata on an annual basis through March 11, 2017, and 7,181 shares of restricted stock that will vest upon completion of a two-year cliff vesting period on March 11, 2016.
- (10) Includes 100,000 shares of restricted stock that will vest upon completion of a three-year cliff vesting period on August 8, 2014, 17,554 shares of restricted stock that will vest pro rata on an annual basis through July 25, 2015, 10,699 shares of restricted stock that will vest pro rata on an annual basis through March 14, 2016, 24,465 shares of restricted stock that will vest upon completion of a two-year cliff vesting period on March 14, 2015, 12,095 shares of restricted stock that will vest pro rata on an annual basis through March 11, 2017, and 19,820 shares of restricted stock that will vest upon completion of a two-year cliff vesting period on March 11, 2016.
- (11) Includes 8,056 shares of restricted stock that will vest pro rata on an annual basis through July 25, 2015, 4,911 shares of restricted stock that will vest pro rata on an annual basis through March 14, 2016, 11,913 shares of restricted stock that will vest upon completion of a two-year cliff vesting period on March 14, 2015, 6,699 shares of restricted stock that will vest pro rata on an annual basis through March 11, 2017, 9,652 shares of restricted stock that will vest upon completion of a two-year cliff vesting period on March 11, 2016, and 21,077 options exercisable within 60 days of March 31, 2014.
- (12) Includes 47,378 shares of restricted stock that will vest pro rata on an annual basis through July 25, 2015, 29,097 shares of restricted stock that will vest pro rata on an annual basis through March 14, 2016, 86,514 shares of restricted stock that will vest upon completion of a two-year cliff vesting period on March 14, 2015, 48,644 shares of restricted stock that will vest pro rata on an annual basis through March 11, 2017, and 70,090 shares of restricted stock that will vest upon completion of a two-year cliff vesting period on March 11, 2016.
- (13) Includes 2,800 shares of restricted stock that will vest pro rata on an annual basis through July 25, 2015, 1,707 shares of restricted stock that will vest pro rata on an annual basis through March 14, 2016, 10,637 shares of restricted stock that will vest upon completion of a two-year cliff vesting period on March 14, 2015, 4,356 shares of restricted stock that will vest pro rata on an annual basis through March 11, 2017, 8,618 shares of restricted stock that will vest upon completion of a two-year cliff vesting period on March 11, 2016, and 70,000 shares of common stock issuable upon exercise of options exercisable within 60 days of March 31, 2014.

**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 2013, the Company believes that all Section 16(a) filing requirements were met during the fiscal year ended December 29, 2013. In March 2014, Form 4s in connection with restricted stock grants for each of our directors and named executive officers were filed three business days late due to administrative oversight.

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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 six. Our Board currently is composed of six directors, with each director serving until the next annual meeting or until his or her successor is elected. The six candidates nominated by our Board for election as directors at the 2014 annual meeting of stockholders are also identified below, each of whom is currently a member of our 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, our Board may, prior to the annual meeting, (i) reduce the size of our 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 nominees has been furnished to the Company by the nominees.

**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 our Nominating and Corporate Governance Committee and our Board to determine that the person should serve as one of our directors.

**Michael P. O'Donnell**

Mr. O'Donnell, age 58, has served as a director and as our President and Chief Executive Officer since August 2008 and as Chairman of our 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 and Chief Executive Officer of Champpps 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 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., Logan's Roadhouse and Hickory Tavern and as a member of the Rollins College Board of Trustees. During the previous five years, Mr. O'Donnell also served as a director of Sbarro, Inc. 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 48, 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 CDW Corporation and Things Remembered, Inc. During the previous five years, Mr. Selati also served as a director for The Yankee Candle Company, Inc., B.F. Bolthouse Holdco LLC, 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 63, 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 68, 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 62, has served as a member of our Board of Directors since October 2009. From June 2012 through September 2013, Mr. Merritt served as President and Chief Executive Officer of Benjamin Moore & Co. Mr. Merritt has served on of the Board of Directors for Cosi, Inc., a NASDAQ-listed restaurant company, since October 2005 and served as Chairman of the Board of Directors for Cosi, Inc. from November 2008 to March 2010. From March 2007 to September 2007, 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, 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 72, has served as a member of our Board of Directors since December 2003. Mr. Vituli previously served as Chairman of the Board of Directors of Carrols Restaurant Group, Inc. and as Chief Executive Officer of Carrols Holdings Corporation from 1992 through his retirement in December 2011. Between 1983 and 1985, Mr. Vituli was employed by Smith Barney, Harris Upham & Co., Inc., as Senior Vice President responsible for real estate transactions. From 1966 until joining Smith Barney, Mr. Vituli was associated with the accounting firm of Coopers & Lybrand, first as an employee and then for 10 years as a partner. Among the positions held by Mr. Vituli at Coopers & Lybrand was National Director of Mergers and Acquisitions. Before joining Coopers & Lybrand, Mr. Vituli was employed in a family-owned restaurant business. From 1993 through 1998, Mr. Vituli served on the board of directors of Pollo Tropical, Inc. Mr. Vituli has extensive accounting expertise and experience in the restaurant industry as well as executive leadership skills.

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

**PROPOSAL NO. 2 ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION**

**General**

Our Board of Directors is committed to excellence in governance and is keenly aware of the significant interest in executive compensation matters by our stockholders and the general public. At our 2011 annual meeting of stockholders, our stockholders were given the opportunity to endorse or not endorse, on a non-binding advisory basis, our executive compensation program. More than 98% of the votes cast on the stockholder advisory vote on executive compensation were in favor of our executive compensation program.

Our approach to executive compensation continues to be built on the same principles as the approach approved by our stockholders in 2011. In keeping with the preference expressed by our stockholders at our 2011 annual meeting, our Board of Directors has committed to holding an advisory vote on executive compensation every three years. Stockholders will be asked to vote again on how frequently we should hold advisory votes on executive compensation at our 2017 annual meeting of stockholders.

We are asking stockholders to approve an advisory resolution on our executive compensation as reported in this proxy statement. As described in the Compensation Discussion and Analysis section of this proxy statement, the Compensation Committee has structured our executive compensation program to achieve the following key objectives:

<b>How Our Executive Compensation Program</b>	
<b>Objective</b>	<b>Achieves This Objective</b>
Pay for Performance	Our performance-based cash incentive awards focus on closely aligning rewards with results. The philosophy of our performance-based annual cash incentive awards is simple: a basic reward for reaching minimum expectations and an upside for reaching our goals.
Align the Interests of Our Executives and Stockholders	Our equity programs are designed to encourage creation of long-term value for our stockholders, employee retention and stock ownership. The programs currently consist primarily of tenure-based restricted stock awards and performance-based restricted stock awards. Our equity incentive programs are intended to promote a long-term focus on results and to align employee and stockholder interests.
Attract and Retain Top Talent	Our executive compensation program is designed to be similar to the programs that are offered at nationwide restaurant companies comparable to us. We attempt to set our total compensation levels at the median level of comparable companies because of the desire to attract and retain top-level executives in the market in which we operate and compete for talent.
We urge stockholders to read the Compensation Discussion and Analysis beginning on page 23 of this proxy statement, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the executive compensation tables and narrative that follow the Compensation Discussion and Analysis, which provide detailed information on the compensation of our named executive officers. Our Compensation Committee and our Board of Directors believe	



that the policies and procedures articulated in the Compensation Discussion and Analysis are effective in achieving our goals and that the compensation of our named executive officers reported in this proxy statement has contributed to our recent and long-term success.

We are asking stockholders to approve, on an advisory basis, the following resolution:

RESOLVED, that the stockholders of the Company approve the compensation of the Company's named executive officers as described in the Compensation Discussion and Analysis, executive compensation tables and accompanying narrative disclosure in Company's proxy statement for the Company's 2014 Annual Meeting of Stockholders.

The affirmative vote of a majority of the shares present in person or by proxy is required for advisory approval of our executive compensation. This advisory vote, commonly referred to as a say on pay vote, is non-binding on our Board of Directors. Although non-binding, our Board and our Compensation Committee will carefully consider the outcome of the vote when making future decisions regarding our executive compensation program.

**Our Board recommends a vote FOR the approval of the advisory resolution on executive compensation.**

**PROPOSAL NO. 3 RATIFICATION OF THE APPOINTMENT OF KPMG LLP**

Our Audit Committee has appointed KPMG LLP as our independent registered public accounting firm for fiscal year 2014 and has further directed that our Board submit the selection of KPMG LLP for ratification by the stockholders at the annual meeting. During fiscal year 2013, KPMG LLP served as our independent registered public accounting firm and also provided certain audit-related and tax services as described below. The stockholder vote is not binding on our Audit Committee. If the appointment of KPMG LLP is not ratified, our Audit Committee will evaluate the basis for the stockholders' vote when determining whether to continue the firm's engagement, but may ultimately determine to continue the engagement of the firm or another audit firm without re-submitting the matter to the stockholders. Even if the appointment of KPMG LLP is ratified, our Audit Committee may, in its sole discretion, terminate the engagement of the firm and direct the appointment of another independent auditor at any time during the year if it determines that such an appointment would be in the best interests of the Company and our stockholders.

Representatives of KPMG LLP are expected to attend the annual meeting, where they will be available to respond to appropriate questions and, if they desire, to make a statement.

**Our Board recommends a vote FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for fiscal year 2014.**

## **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. Our 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. Our 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**

Our Board is actively involved in the oversight of risks that could affect the Company. This oversight is conducted primarily through committees of our 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. Our 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**

Our Board believes that our compensation policies and practices are reasonable and properly align our employees' interests with those of our stockholders. Our 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 tenure-based and performance-based restricted stock 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 Policy**

The Company's employees, officers and directors are required to abide by the Company's Code of Conduct and Ethics Policy (the "Code of Ethics"), which is intended to ensure 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, competition and fair dealing, corporate opportunities and the protection of confidential information, as well as strict compliance with all laws, regulations and rules. Any 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 our 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](http://www.rhgi.com).

### **Number of Meetings of our Board of Directors**

Our Board held six meetings during fiscal 2013. 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 our Board and our 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. Mr. O'Donnell, our President and Chief Executive Officer and the Chairman of our Board, represented our Board at the 2013 annual meeting of stockholders.

### **Director Independence**

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

Our Board has determined that each of the director nominees standing for election, except Michael P. O'Donnell, our Chairman and Chief Executive Officer, have no relationship which, in the opinion of our 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, our Board has adopted independence standards that mirror the criteria specified by applicable laws and regulations of the SEC and NASDAQ.

### **Communications between Stockholders and our 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, 1030 W. Canton Avenue, Suite 100, Winter Park, Florida 32789. The Corporate Secretary will review all correspondence received and will forward all correspondence that is relevant to the duties and responsibilities of our 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 our 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.* Our Audit Committee was established in accordance with section 3(a)(58)(A) of the Exchange Act and is responsible for:

assisting our Board in monitoring the integrity of our financial statements and financial reporting process, our disclosure controls and procedures, our internal control over financial reporting, 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, our compliance with legal and regulatory requirements and our policies with respect to risk assessment and risk management;

selecting and overseeing the independent auditors;

reviewing and evaluating the qualifications, performance and independence of the independent auditors and the performance of the lead partner;

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

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

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