

BIGLARI HOLDINGS INC.  
Form DFAN14A  
March 17, 2015

SCHEDULE 14A INFORMATION

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

(Amendment No. \_\_\_\_)

Filed by the Registrant    
Filed by a Party other than the Registrant

Check the appropriate box:

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

BIGLARI HOLDINGS INC.  
(Name of Registrant as Specified in its Charter)

Nicholas J. Swenson  
Groveland Capital LLC  
Groveland Hedged Credit Fund LLC  
Groveland Master Fund Ltd.  
Seth G. Barkett  
Thomas R. Lujan  
James W. Stryker  
Ryan P. Buckley  
Stephen J. Lombardo III

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

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

4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

Fee paid previously with preliminary materials.

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

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Filed by Groveland Group

The Groveland Group (as defined herein) has made available a presentation regarding its proxy solicitation. A copy of the presentation is attached hereto. The presentation is being filed herewith under Rule 14a-6 of the Securities Exchange Act of 1934, as amended, by the Groveland Group.

Important Information

The Groveland Group (whose members are identified below) has nominated Nicholas J. Swenson, James W. Stryker, Stephen J. Lombardo III, Thomas R. Lujan, Ryan P. Buckley, and Seth G. Barkett as nominees to the board of directors of Biglari Holdings Inc. (the “Company”), and is soliciting votes for the election of Nicholas J. Swenson, James W. Stryker, Stephen J. Lombardo III, Thomas R. Lujan, Ryan P. Buckley, and Seth G. Barkett as members of the Company’s board of directors (the “Groveland Nominees”). The Groveland Group has sent a definitive proxy statement, WHITE proxy card and related proxy materials to shareholders of the Company seeking their support of the Groveland Nominees at the Company’s 2015 Annual Meeting of Shareholders. Shareholders are urged to read the definitive proxy statement and WHITE proxy card because they contain important information about the Groveland Group, the Groveland Nominees, the Company and related matters. Shareholders may obtain a free copy of the definitive proxy statement and WHITE proxy card and other documents filed by the Groveland Group with the Securities and Exchange Commission (“SEC”) at the SEC’s web site at [www.sec.gov](http://www.sec.gov). The definitive proxy statement and other related SEC documents filed by the Groveland Group with the SEC may also be obtained free of charge from the Groveland Group.

Participants in Solicitation

The “Groveland Group” currently consists of the following persons who are participants in the solicitation from the Company’s shareholders of proxies in favor of the Groveland Nominees: Groveland Master Fund Ltd. (formerly known as Groveland Hedged Credit Master Fund Ltd.), Groveland Hedged Credit Fund LLC, Groveland Capital LLC, Nicholas J. Swenson, and Seth G. Barkett. Along with the Groveland Group, the following are also participants in the solicitation: James W. Stryker, Stephen J. Lombardo III, Thomas R. Lujan, and Ryan P. Buckley. The participants may have interests in the solicitation, including as a result of holding shares of the Company’s common stock. Information regarding the participants and their interests may be found in the Groveland Group’s definitive proxy statement, as filed with the SEC on March 11, 2015.

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FOR IMMEDIATE RELEASE

Groveland Group Calls for Change at Biglari Holdings and Files Presentation

Urges All Shareholders to Vote for Change by Choosing the WHITE Proxy Card

MINNEAPOLIS – March 16, 2015 – Groveland Capital, LLC. (the "Groveland Group") announced today that it has publicly filed a presentation calling for change at Biglari Holdings Inc. (NYSE: BH) that it believes puts shareholders ahead. The presentation is available on the website [www.ReformBH.com](http://www.ReformBH.com) and on the Security and Exchange Commission's website [www.sec.gov](http://www.sec.gov).

The Groveland Group has nominated six independent professionals to the Board of Directors of Biglari Holdings (the "Company") and is soliciting votes from fellow Biglari Holdings' shareholders for the election of these individuals at Biglari Holdings' annual meeting, which is scheduled for Thursday, April 9, 2015. The Groveland Group's six highly qualified and experienced nominees include: Nicholas J. Swenson, James W. Stryker, Thomas R. Lujan, Stephen J. Lombardo, III, Ryan P. Buckley and Seth G. Barkett.

Nick Swenson, Principal and Founder of Groveland Capital, stated: "We believe that change is necessary at Biglari Holdings. Replacing the Company's incumbent board of directors is designed to help start a process that drives significant shareholder value. Our new board will start by addressing ongoing corporate governance problems at Biglari Holdings. We will also immediately appoint Interim CEO, Gene Baldwin, who is a respected and proven executive in the restaurant industry, to establish a) the right operational focus at the Company, b) professional management practices that improve employee morale and effectiveness, and c) open dialogue with franchisees to restore working relationships."

Continued Mr. Swenson, "Within 6 months, our new board plans to hire a permanent, high-quality restaurant CEO at Biglari Holdings. Our goal is to work with the employees of the Company to create a stronger organization that delivers shareholder returns now and over the long-term. With the right operational focus and improved corporate governance, all Company stakeholders can greatly benefit."

Highlights of the presentation include:

The Groveland Group believes that Biglari Holdings needs to be reformed now more than ever for the following reasons:

1. Over the past five years, the Company's stock price has underperformed its benchmark indices and peer group:

From Nov 2009 through Nov 2014, Biglari Holdings has underperformed the S&P 500 Index by 40.2%, the S&P 500 Restaurants Index by 57.6%, the Russell 3000 Restaurants Index by 77.6%, and its ISS Proxy Advisory Services Peer Group by 214.5%.

2. The Company's operating businesses have experienced a significant deterioration in their financial performance:

Since fiscal 2011, operating income at Biglari Holdings has declined from \$52.5MM (a 7.4% margin) to \$14.3MM in fiscal 2014 (a 1.8% margin), a decrease of 72.8%.

3. The Company's CEO Mr. Sardar Biglari has received outsized compensation despite poor performance:

Mr. Biglari's 2009 compensation was \$515,445; his 2014 compensation is \$35.3MM.

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4. The Company's board of directors has demonstrated poor corporate governance practices:

Transactions between the Company and its CEO, Mr. Biglari, resulting in apparent conflicts of interest: Sale of Biglari Capital Corp. to Mr. Biglari; the licensing agreement between the Company and Mr. Biglari with no business justification; Mr. Biglari's golden parachute; voting authority of BH shares by Mr. Biglari; and selling low and buying high behavior.

5. The Steak n Shake brand and franchisee network are at risk, which consists of 416 Company-operated restaurants and 124 franchised units:

The Company is facing a series of lawsuits by its franchisees. In the past six years under the current management and board, franchisees have filed five lawsuits.

Groveland Group's Nominees intend to act vigorously to improve Biglari Holdings upon their election to the board. The focus areas of our plan are:

1. Improve the Company's operations by reducing obvious waste and inefficiencies, especially those related to Mr. Biglari's management style;
2. Implement thoughtful corporate governance reforms;
3. Assert shareholder rights related to Biglari Capital Corp. and change of control payments;
4. Conduct research and analysis that will support decision-making by both the Interim and Permanent CEO; and
5. Conduct an exhaustive search for a very high-quality restaurant executive who will serve as Permanent CEO.

Added Mr. Swenson, "We believe a new board, a new CEO, and a new operational focus can help return Biglari Holdings to top and bottom-line growth."

Your Vote Is Important – No Matter How Many Or How Few Shares You Own

If you have questions about how to vote your shares, or need additional assistance, please contact the firm assisting us in the solicitation of proxies:

D.F. KING & CO., INC.

Shareholders Call Toll-Free: 877-283-0325

Banks and Brokers May Call Collect: 212-269-5550

**REMEMBER:**

We urge you NOT to sign any Blue proxy card sent to you by the Company. If you have already done so, you have every right to change your vote by signing, dating and returning the enclosed WHITE proxy card TODAY in the postage-paid envelope provided. If you hold your shares in Street-name, your custodian may also enable voting by telephone or by Internet -- please follow the simple instructions provided on your WHITE proxy card.



## About Groveland Capital, LLC

Groveland Capital, LLC. is an Investment Advisor based in Minneapolis, MN. Groveland Capital is nimble advisory focused on unearthing unique investment opportunities. Our insight and global network is complemented by our billion dollar+ fund experience and expertise. Groveland Capital is led by a seasoned team of investment professionals who have continuity, vision and over a decade of experience executing key elements of our investment strategy. Groveland Capital founder and Principal, Nick Swenson, also has significant capital invested in the portfolio, aligning his interests with investors. Our investment strategy is to acquire stakes in undervalued and/or underperforming companies. When necessary, we seek board representation and advocate for improvements in financial performance, capital allocation, and corporate governance for the benefit of all shareholders.

## Important Information

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## Contacts

### Investors:

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