

FAMOUS DAVES OF AMERICA INC
Form DEF 14A
April 04, 2018
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

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

FAMOUS DAVE'S OF AMERICA, 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)(4) 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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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:

FAMOUS DAVE'S OF AMERICA, INC.

12701 Whitewater Drive, Suite 190

Minnetonka, Minnesota 55343

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 15, 2018

TO THE SHAREHOLDERS OF FAMOUS DAVE'S OF AMERICA, INC.:

Please take notice that the annual meeting of shareholders of Famous Dave's of America, Inc. (the "Annual Meeting") will be held, pursuant to due call by the Board of Directors of the Company, at the offices of Gray Plant Mooty, 500 IDS Center, 80 South Eighth Street, Minneapolis, Minnesota on Tuesday, May 15, 2018, at 3:00 p.m., or at any adjournment or adjournments thereof, for the purpose of considering and taking appropriate action with respect to the following:

- (1) The election of seven directors;
- (2) The ratification of the appointment of Grant Thornton LLP as the independent registered public accounting firm of the Company for fiscal 2018;
- (3) Advisory approval of the Company's executive compensation ("say-on-pay");
- (4) The approval of an amendment to the Company's 2015 Equity Incentive Plan to increase the number of shares of common stock reserved for issuance from 700,000 shares to 1,000,000 shares; and
- (5) The transaction of any other business as may properly come before the Annual Meeting or any adjournments thereof.

Pursuant to due action of the Board of Directors, shareholders of record on March 20, 2018 will be entitled to vote at the Annual Meeting or any adjournments thereof.

Important Notice Regarding the Availability of Proxy Materials for the

Shareholder Meeting to be Held on May 15, 2018

The proxy statement for the Annual Meeting and the Annual Report to Shareholders for the fiscal year ended December 31, 2017 are available to you on the Internet. We encourage you to review all of the important information contained in the proxy materials before voting. To view the proxy statement and Annual Report to Shareholders on the Internet, visit www.famousdaves.com/proxymaterials.

By Order of the Board of Directors

/s/ Jeffery Crivello

Jeffery Crivello

Chief Executive Officer

April 4, 2018

FAMOUS DAVE'S OF AMERICA, INC.

12701 Whitewater Drive, Suite 190

Minnetonka, Minnesota 55343

PROXY STATEMENT

Annual Meeting of Shareholders to be Held

May 15, 2018

VOTING AND REVOCATION OF PROXY

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Famous Dave's of America, Inc. to be used at the annual meeting of shareholders of the Company (the "Annual Meeting") to be held at the offices of Gray Plant Mooty, 500 IDS Center, 80 South Eighth Street, Minneapolis, Minnesota on Tuesday, May 15, 2018, at 3:00 p.m. Throughout this Proxy Statement, the terms "the Company," "Famous Dave's," "we," "our," "us," similar terms refer to Famous Dave's of America, Inc.

The Annual Meeting is being held for the purpose of considering and taking appropriate action with respect to the following:

- (1) The election of seven directors;
- (2) The ratification of the appointment of Grant Thornton LLP as the independent registered public accounting firm of the Company for fiscal 2018;
- (3) Advisory approval of the Company's executive compensation ("say-on-pay");
- (4) The approval of an amendment to the Company's 2015 Equity Incentive Plan to increase the number of shares of common stock reserved for issuance from 700,000 shares to 1,000,000 shares; and
- (5) The transaction of any other business as may properly come before the Annual Meeting or any adjournments thereof.

The approximate date on which this Proxy Statement and the accompanying proxy were first sent or provided to shareholders was April 4, 2018.

PROXIES AND VOTING

Your vote is extremely important. You may attend the Annual Meeting and vote in person, or you may vote by following the directions on the proxy card for the Annual Meeting. Even if you own only a few shares, and whether or not you plan to attend the meeting in person, you are requested to vote your proxy either (1) through the Internet at the address listed on the Notice Regarding Availability of Proxy Materials or the proxy card, (2) by calling a toll-free

telephone number listed on the proxy card or (3) by marking, signing and dating the proxy card and mailing it in the envelope provided. If you own your shares in the name of a bank or broker, and you wish to be able to vote at the Annual Meeting, you must obtain a proxy, executed in your favor, from the bank or broker, indicating that you owned Company shares as of the record date.

The Board of Directors has set the close of business on March 20, 2018 as the “Record Date” for the Annual Meeting. Only holders of the Company’s common stock as of the Record Date, or their duly appointed proxies, are entitled to notice of and will be entitled to vote at the Annual Meeting or any adjournments thereof. On the Record Date, there were 7,467,241 shares of the Company’s common stock outstanding. Each such share entitles the holder thereof to one vote upon each matter to be presented at the Annual Meeting. A quorum, consisting of a majority of the outstanding shares of the Company’s common stock entitled to vote at the Annual Meeting, must be present in person or represented by proxy before action may be taken at the Annual Meeting.

Each proxy returned to the Company will be voted in accordance with the instructions indicated thereon. If no direction is given by a shareholder, the shares will be voted as recommended by the Company's Board of Directors. If any nominee for the Board of Directors should withdraw or otherwise become unavailable for reasons not presently known, the proxies that would have otherwise been voted for such nominee will be voted for such substitute nominee as may be selected by the Board of Directors. If a shareholder abstains from voting on any matter, the abstention will be counted for purposes of determining whether a quorum is present at the Annual Meeting for the transaction of business as well as shares entitled to vote on that matter. On matters other than the election of directors, an action of the shareholders generally requires the affirmative vote of a majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the matter. Accordingly, an abstention on any matter other than the election of directors will have the same effect as a vote against that matter. A non-vote occurs when a nominee holding shares for a beneficial owner votes on one proposal, but does not vote on another proposal because the nominee does not have discretionary voting power and has not received instructions from the beneficial owner. Broker non-votes on a matter are counted as present for purposes of establishing a quorum for the Annual Meeting, but are not considered entitled to vote on that particular matter. Consequently, non-votes generally do not have the same effect as a negative vote on the matter.

A shareholder giving a proxy may revoke it at any time before it is exercised by (i) giving written notice of revocation to the Secretary of the Company, (ii) delivering a duly executed proxy bearing a later date, or (iii) voting in person at the Annual Meeting. Presence at the Annual Meeting of a shareholder who has signed a proxy does not, alone, revoke that proxy; revocation must be announced by the shareholder at the time of the Annual Meeting. Unless so revoked, the shares represented by each proxy will be voted at the Annual Meeting and at any adjournments thereof.

NOTICE TO BENEFICIAL OWNERS OF SHARES HELD IN BROKER ACCOUNTS:

New York Stock Exchange Rule 452 prohibits NYSE member organizations from giving a proxy to vote with respect to an election of directors (Proposal No. 1), Say-on-pay (Proposal No. 3) and Amendment to the 2015 Equity Incentive Plan (Proposal No. 4) without receiving voting instructions from a beneficial owner. Because NYSE Rule 452 applies to all brokers that are members of the NYSE, this prohibition applies to the Annual Meeting even though the Company is not listed on the New York Stock Exchange. Therefore, brokers will not be entitled to vote shares at the Annual Meeting with respect to Proposal No. 1, No. 3 and No. 4 without instructions by the beneficial owner of the shares. **AS A RESULT, BENEFICIAL OWNERS OF SHARES HELD IN BROKER ACCOUNTS ARE ADVISED THAT, IF THEY DO NOT TIMELY PROVIDE INSTRUCTIONS TO THEIR BROKER, THEIR SHARES WILL NOT BE VOTED IN CONNECTION WITH THESE PROPOSALS.**

PROPOSALS

PROPOSAL No. 1 – Election of Directors

The shareholders have set the size of the Board of Directors at eight and we currently have seven directors. Five of these directors have been nominated for re-election at the Annual Meeting along with two new nominees, leaving one vacancy. Peter O. Haeg and Richard Welch are the two new nominees. If elected, each nominee has consented to serve as a director of the Company and to hold office until the next annual shareholders' meeting, and until his or her successor is elected and shall have qualified, or until his or her earlier death, resignation, removal or disqualification.

The following paragraphs provide information as of the date of this Proxy Statement about each nominee. The information presented includes information that each nominee has given us about his or her age, all positions he or she holds within the Company, his or her principal occupation and business experience for the past five years, and the names of other publicly-held companies of which he or she currently serves as a director or has served as a director during the past five years. In addition to the information presented below regarding each nominee's specific

experience, qualifications, attributes and skills that led our Board to the conclusion that he or she should serve as a director, our director nominees have experience in developing and overseeing businesses and implementing near term and long range strategic plans. We also believe that all of our director nominees have a reputation for integrity, honesty and adherence to high ethical standards. Collectively, they have demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to our Company and our Board. Although we don't believe that share ownership alone qualifies any person to serve as a director of our Company, we believe that the beneficial ownership of our Board nominees (collectively 23.6% as of the Record Date) aligns their interests with those of our shareholders and will drive our Board's focus on maximizing shareholder value.

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Jeffery Crivello, age 39, has been our chief executive officer since November 2017 and director since August 2017. Since January 2015, Mr. Crivello served as the Chief Financial Officer of PW Partners Capital Management, LLC, a hedge fund manager with a consumer focus, where he had primary responsibility for operations and accounting. PW Partners has had board of directors' representation with Famous Dave's of America, Inc. since 2013, BJ's Restaurants, Inc. since 2014, Del Taco Holdings, Inc. since 2015, and Town Sports International Holdings, Inc. since 2015. Since 2001, Mr. Crivello has served as President of TREW Capital Management, Inc., a consulting and investment firm where he had primary responsibility for operations. From 2012 to 2015, Mr. Crivello served as a Managing Member of Maize Capital Group, LLC, a commodity investment firm. He graduated from the University of Wisconsin-Whitewater with a B.S. degree in finance. Mr. Crivello began serving as a director as a result of Patrick Walsh's resignation and become Chief Executive Officer pursuant to the terms of the Stock Purchase Agreement between the Company and PW Partners, LLC, dated November 10, 2017.

Mr. Crivello's restaurant-investing background, particularly his experience with casual dining chains, qualifies him to serve as a director of our Company. We believe that Mr. Crivello's unique perspective in growing other concepts will be invaluable to the future growth of Famous Dave's.

Anand D. Gala, age 44, has been a director of our Company since July 2015. Mr. Gala is the Founder, President and Chief Executive Officer of Gala Holdings International, a diversified holding company that conducts consulting, restaurant development and management operations. Current portfolio brands under Gala Holdings International ownership and operation include Famous Dave's and Fresh Griller. Since 2007, Mr. Gala has also been Founder and Managing Partner of Gala Development Partners, LLC, a firm focused on the acquisition, development and management of commercial real estate comprising retail and office properties. From February 1998 until May 2014, Mr. Gala served as Founder, President and Chief Executive Officer of Golden West Restaurants, Inc., a franchise developer of Applebee's restaurants throughout California. From 2000 until 2010, Mr. Gala served as Founder, President and Chief Executive Officer of Gala AZ Holdings, a developer of Del Taco restaurants in Arizona. Mr. Gala graduated from the University of Southern California with a B. S. in Biology.

Mr. Gala's background in the restaurant industry and his substantial experience in franchise operations, including as a Famous Dave's franchisee, qualify him to serve as a director of our Company. We believe that maintaining good relationships with our franchisees is extremely important to our organization given the impact that franchise operations have on the results of our operations. As a well-respected Famous Dave's franchisee, Mr. Gala is uniquely positioned to advise the Company on matters related to both franchise relations and operations.

Peter O. Haeg, age 54, has been co-managing partner of Farnam Street Partners LP, a private investment partnership focused on small cap value investing, and Farnam Street Special Opportunities Fund, a private partnership focused on private equity investments, since 1998. Mr. Haeg is a graduate of the University of Minnesota. Mr. Haeg is being nominated as a director pursuant to the terms of the Stock Purchase Agreement between the Company and PW Partners, LLC, dated November 10, 2017.

Mr. Haeg is the co-managing partner of an investment fund that beneficially owns 6.7% of our Company as of the Record Date. Mr. Haeg brings the perspective of a professional institutional shareholder to Board discussions, which we believe adds a strategic resource to a Board seeking to maximize shareholder value.

Joseph M. Jacobs, age 65, has been a director since July 2015 and served as Chairman of the Board from July 2015 to February 2017. Mr. Jacobs co-founded Wexford Capital LP, a registered investment advisor, in 1994 and serves as its President. Mr. Jacobs has primary responsibility for overseeing the activities of Wexford Capital LP's private equity funds. He has also served on the boards and creditors' committees of a number of public and private companies in which Wexford has held investments. From 1982 to 1994, Mr. Jacobs was employed by Bear Stearns & Co., Inc., where he attained the position of Senior Managing Director. While at Bear Stearns, Mr. Jacobs was active in bankruptcies and restructurings and was responsible for all real estate investment banking activities, including debt and equity financing of real estate on both a private and public basis, real estate investment, and advisory services.

From 1979 to 1982, he was employed as a commercial lending officer at Citibank, N.A. Mr. Jacobs holds an MBA from Harvard Business School and a BS in economics from the Wharton School of the University of Pennsylvania.

Mr. Jacobs is affiliated with investment funds that collectively hold the largest beneficial ownership stake in the Company. Mr. Jacobs brings the perspective of a professional institutional shareholder to Board discussions, which we believe adds a strategic resource to a Board seeking to maximize shareholder value. Mr. Jacobs' broad knowledge of corporate governance and management, obtained through his experience in overseeing portfolio companies, is also a valuable resource to the Board.

Richard A. Shapiro, age 47, has been a director since July 2015. Mr. Shapiro joined Wexford Capital LP, a registered investment advisor, in 2011 and became a Partner in 2014. Mr. Shapiro serves as Portfolio Manager and Co-Head of Equities and is a member of the hedge fund investment committee. From 2007 to 2011, Mr. Shapiro was a Managing Director and Portfolio Manager at Millennium Management, managing a long-short portfolio. From 2004 to 2006, Mr. Shapiro was Managing Director and Portfolio Manager in the equities division of Amaranth Advisors. From 1997 to 1999 and 2001 to 2004, Mr. Shapiro also gained investment experience at Putnam Investments, 1 to 1 Venture Partners and Lee Munder Capital. Mr. Shapiro holds an MBA from Georgetown University and a BS in Business Administration from the University of Southern California.

Mr. Shapiro offers the perspective of a professional institutional shareholder. Further, Mr. Shapiro's experience in overseeing the management of positions in various investments position him to assist the Board in analyzing strategic opportunities and advise with respect to executing on the Company's overall goals and objectives.

Richard Welch, age 47, has been a Managing Director at Colony NorthStar, Inc., a leading global real estate investment management firm that creates long-term value through investing in real estate and real estate-related assets, since May 2017. He currently serves as the Interim Head of Healthcare at Colony. Mr. Welch is responsible for managing certain financial and operational aspects of Colony's investment portfolio and operating businesses. Prior to joining the predecessor of Colony in 2005, Mr. Welch was a vice president in the Investment Banking Division of Goldman, Sachs & Co. focusing on mergers and acquisitions and debt and equity financings for companies in the real estate, retail, consumer product, and defense industries. Mr. Welch received a Master of Business Administration from The Wharton School, University of Pennsylvania and a Bachelor of Science from the University of Southern California. He became a Certified Public Accountant in 1995; his current status is not practicing. Mr. Welch has also served on the board of directors of Griffin-American Healthcare REIT IV since January 2018.

Mr. Welch has an extensive background in financial analysis and a broad understanding of the operational, financial and strategic issues facing public companies. In light of his education, background and experience, the Board believes that Mr. Welch provides the Board with a strategic focus on maximizing shareholder value.

Bryan L. Wolff, age 39, has been a director since July 2015. Since March 2017, he has served as a Managing Director at Anthos Capital Management, a Santa Monica-based growth equity firm. From August 2015 to March 2017, he served as Chief Financial Officer of Thrive Market, Inc., a healthy and organic food ecommerce company. From September 2014 to August 2015, he served as Chief Financial Officer of DogVacay, Inc. (sold to Rover), an online service connecting pet owners with sitters across the U.S. and Canada. From January 2012 until August 2014, Mr. Wolff served as Chief Financial Officer of Bonobos, Inc. (sold to Walmart), a men's fashion and accessories retailer. From March 2010 through December 2011, Mr. Wolff was an Analyst at Luxor Capital, LP. Mr. Wolff previously had roles at both AllianceBernstein and McKinsey & Co. Mr. Wolff earned a Masters of Business Administration from Stanford's Graduate School of Business, and a Bachelor's of Engineering in Computer Science from Princeton University.

Mr. Wolff has served as Chief Financial Officer and led the finance and accounting functions at multiple companies, qualifying him to serve on the Company's Board of Directors and its Audit Committee as an "audit committee financial expert." Based on his background and experience, Mr. Wolff is qualified to assist the Board in overseeing the Company's financial and accounting functions and evaluating the Company's internal controls over financial reporting.

Vote Required

Directors are elected by a plurality of the votes of the holders of shares present in person or represented by proxy and entitled to vote on the election of directors. The nominees receiving the highest number of affirmative votes will be elected. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the seven nominees named above. If you do not vote for a particular nominee, or you withhold authority for one or all nominees, your vote will not count either "for" or "against" the nominee, although it will be counted for purposes of

determining whether there is a quorum. If any director nominee should withdraw or otherwise become unavailable for reasons not presently known, the proxies which would have otherwise been voted for that director nominee may be voted for a substitute director nominee selected by the Company's Board of Directors.

The Board recommends that you vote FOR the election of each named nominee

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PROPOSAL No. 2 – Ratification of the Appointment of Independent Registered Public Accounting Firm

The Board of Directors and management of the Company are committed to the quality, integrity and transparency of the Company's financial reports. In accordance with the duties set forth in its written charter, the Audit Committee of the Company's Board of Directors has appointed Grant Thornton LLP as the Company's independent registered public accounting firm for the 2018 fiscal year. A representative of Grant Thornton LLP is expected to attend this year's Annual Meeting and be available to respond to appropriate questions from shareholders, and will have the opportunity to make a statement if he or she desires to do so.

Grant Thornton billed the Company a total of \$395,985 and \$381,143 for the years ended December 31, 2017 and January 1, 2017, respectively.

Audit Fees – Audit fees billed by Grant Thornton were \$375,705 and \$361,643 for the audits of the Company's 2017 and 2016 financial statements during the years ended December 31, 2017 and January 1, 2017, respectively.

Audit Related Fees – Audit-related fees billed by Grant Thornton were \$20,280 and \$19,500 for the audits of the Company's 2016 and 2015 401(k) financial statements during the years ended December 31, 2017 and January 1, 2017, respectively.

Tax Fees – There were no tax fees billed by Grant Thornton during the years ended December 31, 2017 and January 1, 2017.

All Other Fees – There were no other fees billed by Grant Thornton during the years ended December 31, 2017 and January 1, 2017.

The Audit Committee of the Board of Directors has reviewed the services provided by Grant Thornton LLP during fiscal year 2017 and the fees billed for such services. After consideration, the Audit Committee has determined that the receipt of these fees by Grant Thornton LLP is compatible with the provision of independent audit services. The Audit Committee discussed these services and fees with Grant Thornton LLP and Company management to determine that they are permitted under the rules and regulations concerning auditor independence promulgated by the Securities and Exchange Commission to implement the Sarbanes-Oxley Act of 2002, as well as the American Institute of Certified Public Accountants.

Pre-Approval Policy

The Company's Audit Committee charter (a copy of which is available at the Company's website at www.famousdaves.com) provides that all audit and non-audit accounting services that are permitted to be performed by the Company's independent registered public accounting firm under applicable rules and regulations must be pre-approved by the Audit Committee or by designated members of the Audit Committee, other than with respect to de minimis exceptions permitted under the Sarbanes-Oxley Act of 2002. During fiscal 2017, all services performed by Grant Thornton LLP were pre-approved in accordance with the Audit Committee charter.

Prior to or as soon as practicable following the beginning of each fiscal year, a description of the audit, audit-related, tax, and other services expected to be performed by the independent registered public accounting firm in the following fiscal year is presented to the Audit Committee for approval. Following such approval, any requests for audit, audit-related, tax, and other services not presented and pre-approved must be submitted to the Audit Committee for specific pre-approval and cannot commence until such approval has been granted. Normally, pre-approval is provided at regularly scheduled meetings. However, the authority to grant specific pre-approval between meetings, as necessary, has been delegated to the chairman of the Audit Committee. The chairman must update the Audit Committee at the next regularly scheduled meeting of any services that were granted specific pre-approval. In addition, the Audit Committee has granted pre-approval for the Chief Executive Officer and the Chief Financial

Officer to spend up to \$5,000 annually in additional permitted audit fees with Grant Thornton LLP, which authority and amount will be reviewed and approved annually.

Vote Required

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to ratify the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for fiscal 2018. If the shareholders do not ratify the appointment of Grant Thornton LLP, the Audit Committee may reconsider its selection, but is not required to do so. Notwithstanding the proposed ratification of the appointment of Grant Thornton LLP by the shareholders, the Audit Committee, in its discretion, may direct the appointment of new independent auditors at any time during the year without notice to, or the consent of, the shareholders, if the Audit Committee determines that such a change would be in the best interests of the Company and its shareholders.

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The Board recommends that you vote FOR the ratification of Grant Thornton LLP as the independent registered public accounting firm of the Company for fiscal 2018.

PROPOSAL No. 3 – Advisory Vote on Executive Compensation

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, the Company's shareholders are entitled to vote to approve, on an advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with the rules of the Securities and Exchange Commission. This "say-on-pay" vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy and policies described in this Proxy Statement.

At the Company's 2013 annual shareholders' meeting, the shareholders were asked to cast an advisory vote on how frequently the Company should seek an advisory "say-on-pay" vote. In particular, the Company asked whether the "say-on-pay" vote should occur every three years, every two years, or every one year. As stated in the proxy statement for the Company's 2013 annual shareholders' meeting, the Company's Board recommended that shareholders vote for an annual "say-on-pay" vote to best enable the Board and the Compensation Committee to understand and incorporate the views of the Company's shareholders in structuring the Company's executive compensation programs. At the 2013 annual shareholders' meeting, the option of an annual "say-on-pay" vote received the highest number of votes cast by shareholders. Consistent with this desire for an annual "say-on-pay" vote, the Company is asking shareholders to indicate their support at the Annual Meeting for the compensation of our named executive officers as described in this Proxy Statement by casting an advisory vote "FOR" the following resolution:

"RESOLVED, that the shareholders approve the compensation of the "named executive officers" of Famous Dave's of America, Inc., as disclosed in the section entitled "Executive Compensation" in the Proxy Statement for the Famous Dave's of America, Inc. 2018 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission."

The compensation of the Company's named executive officers is disclosed in the section entitled "Executive Compensation" below.

Vote Required

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to approve, on an advisory basis, the compensation of our named executive officers as described herein. Because the vote is advisory, it will not be binding on the Company, the Board or the Compensation Committee. Nevertheless, the views expressed by our shareholders, whether through this vote or otherwise, are important to us and, accordingly, the Board and the Compensation Committee intend to consider the results of this vote in making determinations in the future regarding executive compensation arrangements.

The Board recommends that you vote FOR the proposal to approve the compensation of the Company's named executive officers, as described in this Proxy Statement.

PROPOSAL No. 4 – Amendment to the Company's 2015 Equity Incentive Plan

The Company maintains the Famous Dave's of America, Inc. 2015 Equity Incentive Plan (as amended to date, the "2015 Plan"), pursuant to which 700,000 shares of the Company's common stock are currently reserved for issuance in the form of incentive grants, as described below. The purpose of the 2015 Plan is to increase shareholder value and to advance the interests of the Company by furnishing a variety of economic incentives designed to attract, retain and motivate employees (including officers), consultants and directors of the Company.

The Company's Board of Directors has approved a proposed amendment to the 2015 Plan that would increase the number of shares reserved for issuance thereunder by 300,000 shares. 350,000 shares of the Company's common stock were initially approved for issuance under the 2015 Plan at the Company's annual meeting in May 2015. An additional 350,000 shares were approved at a special meeting of shareholders held on November 16, 2015. All incentives granted since initial approval of the 2015 Plan have taken the form of non-qualified stock options and shares of the Company's common stock. As of the Record Date, there are no additional shares available for issuance pursuant to the 2015 Plan. We are therefore proposing to increase the maximum number of shares of common stock approved for issuance under the 2015 Plan to 1,000,000 in accordance with the proposed amendment.

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Shareholders are often interested in the potential for equity dilution resulting from grants of equity incentives (performance shares, stock options, restricted stock, etc.) under a company's equity compensation plans. The percentage amount by which current shareholders' equity interests may be diluted as a result of such grants is commonly referred to as the "overhang." The overhang is calculated by dividing (i) the total number of incentives granted and available for grant under equity compensation plans, by (ii) the total shares outstanding assuming the exercise of all outstanding incentives and the grant and exercise of all available incentives. If the proposed amendment to the 2015 Plan is adopted by the Company's shareholders, the overhang for all of the Company's equity compensation plans would be approximately 11.0%, based on the total shares outstanding as of the Record Date and incentives granted and available for grant under equity compensation plans as of the Record Date but giving effect to the proposed amendment. Shareholders are also interested in the rate at which the Company grants equity compensation, referred to as the "burn rate." The Company's three-year average annual burn rate, for the 2015-2017 fiscal year period, was 1.7%, net of forfeitures.

The Board recommends that you vote FOR the proposal increase the number of shares available for grant pursuant to the 2015 Plan, as described below.

Description of the 2015 Plan

The material features of the 2015 Plan are outlined below. This summary is qualified in its entirety by reference to the complete text of the 2015 Plan. A copy of the amended 2015 Plan has also been included within this proxy statement. Shareholders are urged to read the actual text of the 2015 Plan in its entirety.

Eligibility. Our employees, directors and consultants are eligible to participate in the 2015 Plan.

Administration. The 2015 Plan is administered by our Board of Directors, which may in turn delegate authority to administer the 2015 Plan to a committee. Our Board of Directors has delegated authority to administer the 2015 Plan to the compensation committee, but may, at any time, revert in itself some or all of the power previously delegated to this committee. Our compensation committee may make grants of cash and equity awards under the 2015 Plan to facilitate compliance with Section 162(m) of the Code. The Board of Directors and the compensation committee are each considered to be a plan administrator for purposes of this proposal.

Subject to the terms of the 2015 Plan, the plan administrator may determine the recipients, numbers and types of awards to be granted, and the terms and conditions of the awards, including the period of their exercisability and vesting. Subject to the limitations set forth below, the plan administrator also determines the fair market value applicable to a stock award and the exercise price of stock options and stock appreciation rights granted under the 2015 Plan.

The plan administrator may also delegate to one or more of our directors or officers the authority to designate employees who are not officers to be recipients of certain stock awards and the number of shares subject to such stock awards, provided that the Board of Directors must specify the total number of shares of our common stock that may be subject to the stock awards granted by such officer, and such officer may not grant a stock award to himself or herself.

Shares Available for Awards. Currently, the aggregate number of shares of our common stock reserved for issuance under the 2015 Plan may not exceed 700,000 shares. If this proposal is approved, the aggregate number of shares of our common stock reserved for issuance under the 2015 Plan will not exceed 1,000,000 shares.

If a stock option or SAR granted under the 2015 Plan expires or is terminated or canceled unexercised as to any shares of common stock, such shares shall be added back to the 2015 Plan share reserve and shall be available again for issuance under the 2015 Plan. If the full number of shares subject to a performance based-stock award (other than a stock option or SAR) is not issued by reason of failure to achieve maximum performance goals, the number of shares not issued shall be added back to the 2015 Plan share reserve and shall be available again for issuance under the 2015

Plan. If shares of common stock are issued as performance shares, restricted stock or pursuant to another stock award and thereafter are forfeited or reacquired by the Company because of the failure to meet a contingency or condition required to vest such shares in the participant, then the shares that are forfeited or repurchased shall be added back to the 2015 Plan share reserve and shall be available again for issuance under the 2015 Plan. Shares withheld or deducted from an Incentive in satisfaction of tax withholding obligations on an incentive or as consideration for the exercise or purchase price of an Incentive will not be added back to the Plan share reserve and will not again become available for issuance under the Plan.

Types of Awards. Incentives under the Plan may be granted in any one or a combination of the following forms: incentive stock options and non-statutory stock options, stock appreciation rights, or SARs; stock awards, restricted stock awards and restricted stock unit awards, performance share and performance cash awards, and other forms of incentives valued in whole or in part by reference to, or otherwise based on, our common stock, including the appreciation in value thereof.

Stock Options. Non-qualified and incentive stock options may be granted to eligible participants to purchase shares of common stock from the Company. The 2015 Plan confers on the Board of Directors the discretion, with respect to any such stock option, to determine the term of each option, the time or times during its term when the option becomes exercisable and the number and purchase price of the shares subject to the option, provided that the purchase price shall be not less than the fair market value of the common stock subject to the option on the date of grant.

Stock Appreciation Rights. A stock appreciation right, or SAR, is a right to receive, without payment to the Company, a number of shares, cash or any combination thereof, the amount of which is equal to the aggregate amount of the appreciation in the shares of common stock as to which the SAR is exercised. For this purpose, the “appreciation” in the shares consists of the amount by which the fair market value of the shares of common stock on the exercise date exceeds (a) in the case of an SAR related to a stock option, the purchase price of the shares under the option or (b) in the case of an SAR granted alone, without reference to a related stock option, an amount determined by the Committee at the time of grant. The Board of Directors has the discretion to determine the number of shares as to which a SAR will relate as well as the duration and exercisability of an SAR.

Stock Awards. Stock awards consist of the transfer by the Company to an eligible participant of shares of common stock, without payment, as additional compensation for services to the Company. The number of shares transferred pursuant to any stock award is determined by the Board of Directors.

Restricted Stock and Restricted Stock Units. Restricted stock consists of the sale or transfer by the Company to an eligible participant of one or more shares of common stock that are subject to restrictions on their sale or other transfer by the participant which restrictions will lapse after a period of time not less than three years as determined by the Board of Directors. The price at which restricted stock will be sold will be determined by the Board of Directors, and it may vary from time to time and among participants and may be less than the fair market value of the shares at the date of sale. Subject to these restrictions and the other requirements of the 2015 Plan, a participant receiving restricted stock shall have all of the rights of a shareholder as to those shares. The 2015 Plan also permit grants of restricted stock units, which are units that evidence the right to receive shares of common stock at a future date, subject to restrictions that may be imposed by the Board of Directors.

Performance Awards. The 2015 Plan allows us to grant cash and stock-based performance. Performance awards may be granted, vest or be exercised based upon the attainment during a specified period of time of specified performance goals. The length of any performance period, the performance goals to be achieved during the performance period, and the measure of whether and to what degree such performance goals have been attained will be determined by the Board of Directors and/or the compensation committee or the Board of Directors; provided, however, that any performance period must be at least one year in length.

In granting a performance award, the Board of Directors will set a period of time, or a performance period, over which the attainment of one or more goals, or performance goals, will be measured. The Board of Directors will establish the performance goals, based upon one or more criteria, which we refer to as performance criteria, enumerated in the 2015 Plan and described below.

Performance goals under the 2015 Plan will be based on any one or more of the following performance criteria: (i) earnings (including earnings per share and net earnings); (ii) earnings before interest, taxes and depreciation; (iii) earnings before interest, taxes, depreciation and amortization; (iv) total stockholder return; (v) return on equity or average stockholder’s equity; (vi) return on assets, investment, or capital employed; (vii) stock price; (viii) margin (including gross margin); (ix) income (before or after taxes); (x) operating income; (xi) operating income after taxes; (xii) pre-tax profit; (xiii) operating cash flow; (xiv) sales or revenue targets; (xv) increases in revenue or product revenue; (xvi) expenses and cost reduction goals; (xvii) improvement in or attainment of working capital levels; (xviii) economic value added (or an equivalent metric); (xix) market share; (xx) cash flow; (xxi) cash flow per share; (xxii) share price performance; (xxiii) debt reduction; (xxiv) implementation or completion of projects or processes; (xxv) customer satisfaction; (xxvi) stockholders’ equity; (xxvii) capital expenditures; (xxviii) debt levels; (xxix)

operating profit or net operating profit; (xxx) workforce diversity; (xxxi) growth of net income or operating income; (xxxii) billings; and (xxxiii) other measures of performance selected by the Board of Directors. Performance goals may be based on a company-wide basis, with respect to one or more business units, divisions, affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices.

Award Limits. Under the 2015 Plan, a maximum of 350,000 shares of our common stock may be granted to any one participant during any one calendar year pursuant to stock options, stock appreciation rights and other stock awards whose value is determined by reference to an increase over an exercise price or strike price of at least 100% of the fair market value of our common stock on the date of grant. In addition, the maximum amount covered by performance awards that may be granted to any one participant in any one calendar year (whether the grant, vesting or exercise is contingent upon the attainment during a performance period of the performance goals described below) is 350,000 shares of our common stock in the case of performance share awards and \$2,000,000 in the case of performance cash awards. If a performance share award is in the form of an option, it will count only against the performance stock award limit. If a performance share award could be paid out in cash, it will count only against the performance stock award limit.

Limitation of Director Awards. Under the 2015 Plan, no director who is not also an employee of the Company or its affiliates may be granted incentives denominated in shares that exceed in the aggregate \$500,000 in value in any calendar year, except to the extent that the incentive is awarded pursuant to an election by the directors to receive such incentive in lieu of all or a portion of annual and committee retainers and meeting fees.

Repricing; Cancellation and Re-Grant of Stock Awards. Except in connection with certain capitalization adjustments, neither the Board of Directors nor any committee will have the authority to reduce the exercise, purchase or strike price of any outstanding options or SAR under the 2015 Plan, or cancel any outstanding options or SARs that have an exercise price or strike price greater than the current fair market value of our common stock in exchange for cash or other incentives under the 2015 Plan, unless the shareholders of the Company have approved such an action within twelve months prior to such an event.

Changes to Capital Structure. In the event of certain capitalization adjustments, the Board of Directors will appropriately adjust: (i) the class(es) and maximum number of securities subject to the 2015 Plan; (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of ISOs; (iii) the class(es) and maximum number of securities that may be awarded to any person; and (iv) the class(es) and number of securities and price per share of stock subject to outstanding stock awards.

Corporate Transactions. In the event of a corporate transaction (as defined in the 2015 Plan and described below), the Board of Directors may have the discretion to take one or more of the following actions with respect to outstanding stock awards (contingent upon the closing or consummation of such transaction), unless otherwise provided in the stock award agreement or other written agreement with the participant or unless otherwise provided by the Board of Directors at the time of grant:

- arrange for the surviving or acquiring corporation (or its parent company) to assume or continue the award or to substitute a similar stock award for the award (including an award to acquire the same consideration paid to our stockholders pursuant to the corporate transaction);
- arrange for the assignment of any reacquisition or repurchase rights held by us with respect to the stock award to the surviving or acquiring corporation (or its parent company);
- accelerate the vesting, in whole or in part, (and, if applicable, the exercisability) of the stock award and provide for its termination prior to the effective time of the corporate transaction;
- arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by us with respect to the award;
- cancel or arrange for the cancellation of the stock award, to the extent not vested or exercised prior to the effective time of the corporate transaction, in exchange for such cash consideration, if any, as the Board of Directors may consider appropriate; and
- cancel or arrange for the cancellation of the stock award, to the extent not vested or not exercised prior to the effective time of the corporate transaction, in exchange for a payment, in such form as may be determined by the Board of Directors, equal to the excess, if any, of (i) the value of the property the participant would have received upon the exercise of the stock award immediately prior to the effective time of the corporate transaction, over (ii) any exercise price payable in connection with such exercise.

The Board of Directors is not obligated to treat all stock awards or portions of stock awards in the same manner. The Board of Directors may take different actions with respect to the vested and unvested portions of a stock award.

For purposes of the 2015 Plan, a corporate transaction will be deemed to occur in the event of the consummation of (i) a sale or other disposition of all or substantially all of our consolidated assets, (ii) a sale or other disposition of more than 90% of our outstanding securities, (iii) a merger, consolidation or similar transaction following which we are not the surviving corporation, or (iv) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

Change in Control. In the event of a change in control (as defined in the 2015 Plan), the Board of Directors or a comparable committee of any corporation assuming the obligations of the Company under the 2015 Plan may, but shall not be obligated to, elect in its discretion to declare that the restriction period of all restricted stock and restricted stock units has been eliminated, that all outstanding stock options and SARs shall accelerate and become exercisable in full but that all outstanding stock options and SARs, whether or not exercisable prior to such acceleration, must be exercised within the period of time set forth in a notice to participant or they will terminate, and that all performance shares granted to participants are deemed earned at 100% of target levels and shall be paid.

Plan Amendments and Termination. Our Board of Directors may amend, modify, suspend, discontinue or terminate the 2015 Plan at any time as it deems necessary or advisable; provided, however, any amendment or modification that (a) increases the total number of shares available for issuance pursuant to incentives granted under the 2015 Plan, (b) deletes or limits the prohibition of re-pricing incentives, or (c) requires the approval of the Company's shareholders pursuant to any applicable law, regulation or securities exchange rule or listing requirement, shall be subject to approval by the Company's shareholders. In general, however, no amendment, modification, suspension, discontinuance or termination of the 2015 Plan shall impair a participant's rights under an outstanding incentive without his or her written consent.

Transferability of Incentives. Incentives granted under the 2015 Plan may not be transferred, pledged or assigned by the holder thereof (except, in the event of the holder's death, by will or the laws of descent and distribution to the limited extent provided in the 2015 Plan or the incentive, or pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder). However, stock options may be transferred by the holder thereof to such holder's spouse, children, grandchildren or parents (collectively, the "Family Members"), to trusts for the benefit of Family Members, to partnerships or limited liability companies in which Family Members are the only partners or shareholders, or to entities exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. During a participant's lifetime, a stock option may be exercised only by him or her, by his or her guardian or legal representative or by the transferees permitted by the preceding sentence.

Clawback Policy. Awards granted under the 2015 Plan will be subject to recoupment in accordance with any clawback policy that we are required to adopt pursuant to the listing standards of any national securities exchange or association on which our securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, or other applicable law. In addition, the Board of Directors may impose other clawback, recovery or recoupment provisions in an award agreement as the Board of Directors determines necessary or appropriate, including a reacquisition right in respect of previously acquired shares of our common stock or other cash or property upon the occurrence of cause.

U.S. Federal Income Tax Consequences

The information set forth below is a summary only and does not purport to be complete. The information is based upon current federal income tax rules and therefore is subject to change when those rules change. Because the tax consequences to any recipient may depend on his or her particular situation, each recipient should consult the recipient's tax adviser regarding the federal, state, local, and other tax consequences of the grant or exercise of an award or the disposition of stock acquired as a result of an award. The 2015 Plan is not qualified under the provisions of Section 401(a) of the Code and is not subject to any of the provisions of the Employee Retirement Income Security Act of 1974. Our ability to realize the benefit of any tax deductions described below depends on our generation of taxable income as well as the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of our tax reporting obligations.

Nonstatutory Stock Options. Generally, there is no taxation upon the grant of a nonstatutory stock option if the stock option is granted with an exercise price equal to the fair market value of the underlying stock on the grant date. On exercise, an optionholder will recognize ordinary income equal to the excess, if any, of the fair market value on the

date of exercise of the stock over the exercise price. If the optionholder is employed by us or one of our affiliates, that income will be subject to withholding taxes. The optionholder's tax basis in those shares will be equal to their fair market value on the date of exercise of the stock option, and the optionholder's capital gain holding period for those shares will begin on that date.

Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the optionholder. Section 162(m) of the Internal Revenue Code of 1986, as amended, places a limit of \$1,000,000 on the amount of compensation that the Company may deduct in any one year with respect to certain of its most highly paid executive officers.

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Incentive Stock Options. The 2015 Plan provides for the grant of stock options that qualify as “incentive stock options,” as defined in Section 422 of the Code, or an ISO. Under the Code, an optionholder generally is not subject to ordinary income tax upon the grant or exercise of an ISO. If the optionholder holds a share received on exercise of an ISO for more than two years from the date the stock option was granted and more than one year from the date the stock option was exercised, which is referred to as the required holding period, the difference, if any, between the amount realized on a sale or other taxable disposition of that share and the holder’s tax basis in that share will be long-term capital gain or loss.

If, however, an optionholder disposes of a share acquired on exercise of an ISO before the end of the required holding period, which is referred to as a disqualifying disposition, the optionholder generally will recognize ordinary income in the year of the disqualifying disposition equal to the excess, if any, of the fair market value of the share on the date the ISO was exercised over the exercise price. However, if the sales proceeds are less than the fair market value of the share on the date of exercise of the stock option, the amount of ordinary income recognized by the optionholder will not exceed the gain, if any, realized on the sale. If the amount realized on a disqualifying disposition exceeds the fair market value of the share on the date of exercise of the stock option, that excess will be short-term or long-term capital gain, depending on whether the holding period for the share exceeds one year.

For purposes of the alternative minimum tax, the amount by which the fair market value of a share of stock acquired on exercise of an ISO exceeds the exercise price of that stock option generally will be an adjustment included in the optionholder’s alternative minimum taxable income for the year in which the stock option is exercised. If, however, there is a disqualifying disposition of the share in the year in which the stock option is exercised, there will be no adjustment for alternative minimum tax purposes with respect to that share. In computing alternative minimum taxable income, the tax basis of a share acquired on exercise of an ISO is increased by the amount of the adjustment taken into account with respect to that share for alternative minimum tax purposes in the year the stock option is exercised.

We are not allowed an income tax deduction with respect to the grant or exercise of an ISO or the disposition of a share acquired on exercise of an ISO after the required holding period. If there is a disqualifying disposition of a share, however, we are allowed a deduction in an amount equal to the ordinary income includible in income by the optionholder, subject to Section 162(m) of the Code and provided that amount constitutes an ordinary and necessary business expense for us and is reasonable in amount, and either the employee includes that amount in income or we timely satisfy our reporting requirements with respect to that amount.

Restricted Stock Awards. Generally, the recipient of a restricted stock award will recognize ordinary income at the time the stock is received equal to the excess, if any, of the fair market value of the stock received over any amount paid by the recipient in exchange for the stock. If, however, the stock is not vested when it is received (for example, if the employee is required to work for a period of time in order to have the right to sell the stock), the recipient generally will not recognize income until the stock becomes vested, at which time the recipient will recognize ordinary income equal to the excess, if any, of the fair market value of the stock on the date it becomes vested over any amount paid by the recipient in exchange for the stock. A recipient may, however, file an election with the Internal Revenue Service, within 30 days following his or her receipt of the stock award, to recognize ordinary income, as of the date the recipient receives the award, equal to the excess, if any, of the fair market value of the stock on the date the award is granted over any amount paid by the recipient for the stock.

The recipient’s basis for the determination of gain or loss upon the subsequent disposition of shares acquired from stock awards will be the amount paid for such shares plus any ordinary income recognized either when the stock is received or when the stock becomes vested.

Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the stock award.

Restricted Stock Unit Awards. Generally, the recipient of a restricted stock unit structured to conform to the requirements of Section 409A of the Code or an exception to Section 409A of the Code will recognize ordinary income at the time the stock is delivered equal to the excess, if any, of the fair market value of the shares of our common stock received over any amount paid by the recipient in exchange for the shares of our common stock. To conform to the requirements of Section 409A of the Code, the shares of our common stock subject to a restricted stock unit award may generally only be delivered upon one of the following events: a fixed calendar date (or dates), separation from service, death, disability or a change in control. If delivery occurs on another date, unless the restricted stock units otherwise comply with or qualify for an exception to the requirements of Section 409A of the Code, in addition to the tax treatment described above, the recipient will owe an additional 20% federal tax and interest on any taxes owed.

The recipient's basis for the determination of gain or loss upon the subsequent disposition of shares acquired from restricted stock units will be the amount paid for such shares plus any ordinary income recognized when the stock is delivered.

Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the restricted stock unit award.

Stock Appreciation Rights. We may grant under the 2015 Plan stock appreciation rights separate from any other award or in tandem with other awards under the 2015 Plan. Where the stock appreciation rights are granted with a strike price equal to the fair market value of the underlying stock on the grant date, the recipient will recognize ordinary income equal to the fair market value of the stock or cash received upon such exercise. Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code, and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the stock appreciation right.

Awards Under the Amended Plan

No awards will be made under the 2015 Plan from the proposed increase in authorized shares until after such increase has been approved by our shareholders. Because all awards under the 2015 Plan are within the discretion of the Compensation Committee of our Board of Directors, neither the number nor types of future 2015 Plan awards to be received by or allocated to particular participants or groups of participants is presently determinable.

The following table sets forth certain information as of December 31, 2017, with respect to the 2005 Plan and the 2015 Plan and does not reflect the proposed amendment to add 300,000 shares to the 2015 Plan:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options Warrants and Rights (A)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (B)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (A)) (C)
Equity compensation plans approved by shareholders:			
2005 Stock Incentive Plan	2,700	\$ 28.53	—
2015 Stock Incentive Plan	535,812	6.40	—
TOTAL	538,512	\$ 6.60	—

OTHER MATTERS

The Board of Directors is not aware of any matter to be presented for action at the Annual Meeting other than the four proposals described above. Although the Board of Directors knows of no other matters to be presented at the Annual Meeting, all proxies returned to the Company will be voted on any such matter in accordance with the judgment of the proxy holders.

EXECUTIVE OFFICERS OF THE COMPANY

Name	Age	Position
Jeffery Crivello	39	Chief Executive Officer, Director
Paul M. Malazita	31	Interim Chief Financial Officer
Geovannie Concepcion	32	Chief Operating Officer

Jeffery Crivello – See biographical information set forth under Proposal No. 1 – Election of Directors.

Paul M. Malazita currently has served as our Interim Chief Financial Officer since March 2018. Prior to that, Mr. Malazita served as our Director of Accounting and Corporate Controller from October 2017 to March 2018 and, prior to that, he served as Senior Manager of Corporate Accounting from March 2017 to October 2017. Prior to joining our Company, from July 2016 to February 2017, Mr. Malazita served as the Manager of Financial Reporting at Digiliti Money, Inc., a provider of SaaS financial solutions, where he had primary responsibility for SEC financial reporting. From September 2014 to July 2016, Mr. Malazita served in various capacities at AR Global Investments, LLC, a sponsor of real estate investment trusts, from September 2014 to July 2016, where he had primary responsibility for SEC financial reporting and technical accounting. From July 2009 to September 2014, Mr. Malazita served in various capacities at Baker Tilly Virchow Krause, LLP (formerly ParenteBeard LLC), a public accounting firm. Mr. Malazita graduated from St. Joseph's University in Philadelphia, Pennsylvania with a B.S. in Accounting and is a Certified Public Accountant.

Geovannie Concepcion has served as our Chief Operating Officer since November 2017. Mr. Concepcion has been a member of the Famous Dave's management team since April 2016 where he has primary responsibility for executing on the company's store optimization and refranchising efforts. In addition, Mr. Concepcion has led the company's national efforts with third party delivery providers and online ordering. Before joining Famous Dave's, Mr. Concepcion served in various capacities with Greenwich, Connecticut-based Wexford Capital LP, a registered investment advisor, in both the Private Equity Group and Global Macro Hedge Funds from June 2009 until April 2016. Mr. Concepcion graduated from DePaul University with a B.S. in Accounting.

EXECUTIVE COMPENSATION

The following summary compensation table reflects cash and non-cash compensation for the 2016 and 2017 fiscal years awarded to or earned by (i) each individual serving as the principal executive officer of the Company during the 2017 fiscal year ended December 31, 2017 (including Mr. Malazita, who became our Interim Chief Financial Officer on March 6, 2018); (ii) the other two highest paid individuals who served as executive officers of the Company at the end of such fiscal year; and (iii) the other individual who would have qualified as one of the two highest paid executive officers but for the fact that he was not serving as an executive officer as of the end of the fiscal year (the "named executive officers").

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)(7)	All Other Compensation (\$)	Total (\$)
Jeffery Crivello(1) Chief Executive Officer	2017	\$ 27,884	\$ —	\$ 85,000	\$ 156,008	\$ —	\$ 268,892
	2016	—	—	—	—	—	—
Paul M. Malazita(2) Interim Chief Financial Officer	2017	107,631	25,000	—	14,887	—	147,518
	2016	—	—	—	—	—	—
Dexter A. Newman(3) Former Chief Financial Officer	2017	270,000	—	—	—	—	270,000
	2016	192,115	98,654	—	156,088	—	446,857
Michael W. Lister(4) Former Chief Executive Officer	2017	274,239	—	—	—	176,700	450,939
	2016	62,308	18,750	—	100,527	10,099	191,684

Douglas Renegar(5) Former Senior Vice President of Franchise Operations	2017	180,769	—	—	—	100,000	280,769
	2016	41,538	—	—	50,263	—	91,801
Geovannie Concepcion(6) Chief Operating Officer	2017	180,000	42,500	—	—	—	222,500
	2016	126,692	65,077	—	114,808	—	306,577

- (1) Mr. Crivello was appointed the Company's Chief Executive Officer effective November 14, 2017. On that same date, Mr. Crivello was granted a ten-year option to purchase 90,000 shares of the Company's common stock at an exercise price of \$3.90. The options vest monthly over two years. Mr. Crivello earned stock awards calculated in accordance with his employment agreement, described below.
- (2) Mr. Malazita became the Company's Interim Chief Financial Officer effective March 6, 2018. During fiscal 2017, Mr. Malazita was granted a ten-year option to purchase 10,000 shares of the Company's common stock at an exercise price of \$3.90. The options vest monthly over four years.
- (3) Mr. Newman was the Company's Chief Financial Officer from April 11, 2016 to March 5, 2018. On the effective date of his employment, Mr. Newman was granted a ten-year option to purchase 70,000 shares of the Company's common stock at an exercise price of \$5.67. The options vested monthly over through his termination date.

- (4) Mr. Lister was the Company's Chief Executive Officer from October 11, 2016 to November 13, 2017. On October 11, 2016, Mr. Lister was granted a five-year option to purchase 70,000 shares of the Company's common stock at an exercise price of \$5.67. The options vested monthly through Mr. Lister's termination date. Upon termination, Mr. Lister became entitled to severance payments totaling \$150,000 (reflected in all other compensation) to be paid in accordance with the Company's standard payroll calendar over six months. Rent cost for Mr. Lister's apartment of \$26,700 is also reflected in all other compensation.
- (5) Mr. Renegar was the Company's Senior Vice President of Franchise Operations from October 11, 2016 to November 17, 2017. On October 11, 2016, Mr. Renegar was granted a five-year option to purchase 35,000 shares of the Company's common stock at an exercise price of \$5.67. The options vested monthly through Mr. Renegar's termination date. Upon termination, Mr. Renegar became entitled to severance payments totaling \$100,000 (reflected in all other compensation) to be paid in accordance with the Company's standard payroll calendar over six months.
- (6) Mr. Concepcion has been with the Company since April 13, 2016 and was appointed as the Company's Chief Operating Officer effective November 14, 2017. On April 13, 2016, Mr. Concepcion was granted a ten-year option to purchase 50,000 shares of the Company's common stock at an exercise price of \$5.82. The options vest monthly over four years. Mr. Concepcion's bonus for 2017 was calculated in accordance with his employment agreement described below.
- (7) Amounts shown reflect the grant date fair value of stock option awards granted for the respective year pursuant to the Company's equity incentive plans, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718.

Outstanding Equity Awards at Fiscal Year End

As of December 31, 2017, the Company's named executive officers had outstanding the following stock options:

Name	Option Awards		Option Exercise Price (\$)	Option Expiration Date
	Number of Securities Underlying Unexercised Options (# Exercisable)	Number of Securities Underlying Unexercised Options (# Unexercisable)		
Jeffery Crivello	3,750	86,250	\$ 3.90	11/14/2027
Paul Malazita	416	9,584	3.90	10/2/2027
Dexter A. Newman	29,160	40,840	5.67	6/3/2018
Michael W. Lister	18,958	—	5.25	5/11/2018
Douglas Renegar	9,479	—	5.25	5/11/2018
Geovannie Concepcion	20,820	29,180	5.82	4/13/2026

Employment Agreements

Employment Agreement with Jeffery Crivello

On November 13, 2017, the Company entered into an employment agreement with Jeffery Crivello. Mr. Crivello's employment with the Company is governed by a three-year employment agreement. Under the employment agreement, Mr. Crivello is entitled to receive an annual base salary of \$250,000 and is eligible for annual bonus compensation in the form of shares of the Company's common stock, which amount shall be determined based on the 30-day volume weighted average price ("VWAP") of the Company's common stock meeting or exceeding the following established targets:

Stock Price	Shares Granted
\$ 5.00	5,000
6.00	10,000
7.00	10,000
8.00	12,500
9.00	12,500
10.00	15,000
11.00	15,000
12.00	20,000
13.00	20,000
14.00	25,000
15.00	25,000

Any common stock awarded pursuant to a bonus award shall be granted pursuant to and governed by the terms of the 2015 Plan. If there are no shares of common stock available pursuant to the terms of the 2015 Plan, Mr. Crivello shall be paid cash equal to the value of the number of shares of common stock he is otherwise entitled to receive.

Pursuant to the employment agreement, on November 14, 2017, the Company granted to Mr. Crivello a 90,000 share non-qualified stock option under the Plan that will vest in equal monthly installments over two years and has an exercise price of \$3.90 per share.

Mr. Crivello may participate in the Company's benefit plans that are currently and hereafter maintained and for which he is eligible, including, without, limitation, group medical, 401(k), life insurance and other benefit plans. Mr. Crivello is also entitled to be reimbursed for reasonable travel and other expenses.

Pursuant to the employment agreement, Mr. Crivello agreed to customary non-competition and non-solicitation provisions, including a covenant that, in the event Mr. Crivello's relationship with PW Partners conflicts with or is inconsistent with his obligations to the Company, Mr. Crivello's primary duty shall be to the Company and to the extent that a conflict arises, he shall promptly notify the Board of such conflict.

Employment Agreement with Paul M. Malazita

On February 12, 2018, the Company entered into an employment agreement with Paul M. Malazita pursuant to which he became the Company's Interim Chief Financial Officer, commencing March 6, 2018. Under the employment agreement, which is for an indefinite term, Mr. Malazita is entitled to receive an annual base salary of \$165,000 and is eligible for annual bonus compensation, at the discretion of the Board, of 30% of his base salary. Also as of March 6, 2018, Mr. Malazita was granted a four-year, 20,000 share non-qualified stock option that will vest in equal monthly

installments over four years and has an exercise price of \$7.05. Mr. Malazita will also be entitled to participate in the Company's benefit plans that are currently and hereafter maintained by the Company and for which he is eligible, including, without limitation, group medical, 401(k) life insurance and other benefit plans.

Mr. Malazita has agreed not to compete with the Company during the term of his employment and for a period of twelve months thereafter. Mr. Malazita has also agreed not to solicit employees of the Company during the employment term and for 12 months thereafter.

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Under the employment agreement, if Mr. Malazita's employment is terminated by the Company for any reason other than cause, death or disability, or if Mr. Malazita resigns for good reason so long as he has signed and has not revoked a release agreement, he will be entitled to receive severance comprised of continuing payments of his base salary for a three month period following the termination date. To the extent not exempt from rules governing deferred compensation under Section 409A of the Internal Revenue Code of 1986, severance payments to Mr. Malazita are intended to comply with Section 409A and are subject to corresponding requirements regarding the timing of such payments.

Employment Agreement with Dexter A. Newman

On April 7, 2016, the Company entered into a written employment agreement with Mr. Newman to be effective as of April 11, 2016. Under the employment agreement, Mr. Newman was entitled to receive an annual base salary of \$270,000 and was eligible for annual bonus compensation in the discretion of the board of directors based upon his achievement of milestones to be determined by the board of directors prior to the commencement of each fiscal year. The targeted amount was expected to be 50% of Mr. Newman's base salary. Mr. Newman was able to participate in the Company's benefit plans, including, without limitation, group medical, 401(k), life insurance and other benefit plans.

Pursuant to the employment agreement, on April 11, 2016, the Company granted to Mr. Newman a ten-year, 70,000 share non-qualified stock option that vested in monthly installments through his termination date. The stock option has an exercise price of \$5.67 per share. Mr. Newman has agreed not to compete with the Company during the term of his employment and for a period of 12 months thereafter. Mr. Newman has also agreed not to solicit the Company's employees during the employment term and for 18 months thereafter.

Employment Agreement with Michael W. Lister

Mr. Lister's employment was governed by an employment agreement entered into on October 11, 2016, which had a four year term. Under the employment agreement, Mr. Lister was entitled to receive an annual base salary of \$300,000 and was eligible for annual bonus compensation in the discretion of the board of directors in amounts expected to be 50% of his base salary.

Pursuant to the employment agreement, on October 11, 2016, we also granted to Mr. Lister a five-year, 70,000 share non-qualified stock option under the Company's 2015 Equity Incentive Plan that was to vest in equal monthly installments over the employment term and had an exercise price of \$5.25.

Mr. Lister was able to participate in our benefit plans, including, without, limitation, group medical, 401(k), life insurance and other benefit plans. Pursuant to his employment agreement, Mr. Lister agreed to customary non-competition and non-solicitation provisions; provided, however, that Mr. Lister will not be restricted from owning or operating Company franchise locations or any single location restaurants.

Employment Agreement with Douglas Renegar

Mr. Renegar's employment was governed by an employment agreement entered into on October 11, 2016, which had a four year term. Under the employment agreement, Mr. Renegar was entitled to receive an annual base salary of \$200,000 and was eligible for annual bonus compensation in the discretion of the board of directors.

Pursuant to the employment agreement, on October 11, 2016, the Company also granted to Mr. Renegar a five-year, 35,000 share non-qualified stock option under the Company's 2015 Equity Incentive Plan that was to vest in equal monthly installments over the employment term and had an exercise price of \$5.25.

Mr. Renegar was able to participate in the Company's benefit plans, including, without, limitation, group medical, 401(k), life insurance and other benefit plans. Pursuant to his employment agreement, Mr. Renegar agreed to

customary non-competition and non-solicitation provisions; provided, however, that Mr. Renegar will not be restricted from owning or operating Company franchise locations or any single location restaurants.

Employment Agreement with Geovannie Concepcion

Mr. Concepcion's employment with the Company is governed by an employment agreement entered into on April 8, 2016, for an indefinite term. Mr. Concepcion is entitled to receive an annual base salary of \$180,000 and is eligible for a bonus payable in cash the first time during his employment term that the VWAP over a 30 day period is equal to or exceeds the VWAP Target set forth on the first column in the table below.

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Stock Price	Cash Bonus
\$ 5.00	\$ 12,500
6.00	30,000
7.00	35,000
8.00	50,000
9.00	56,250
10.00	75,000
11.00	82,500
12.00	120,000
13.00	130,000
14.00	175,000
15.00	187,500

Pursuant to the employment agreement, on April 11, 2016, we granted Mr. Concepcion a ten-year, 50,000 share non-qualified stock option that will vest in monthly installments over four years. The stock option has an exercise price of \$5.82 per share.

Mr. Concepcion has agreed not to compete with the Company during the term of his employment and for a period of 12 months thereafter. Mr. Concepcion has also agreed not to solicit the Company's employees during the employment term and for 18 months thereafter.

Under the employment agreement, if Mr. Concepcion's employment is terminated by the Company for any reason other than Cause (including any termination by the Company following a "Change in Control" (as defined in the employment agreement)), death or disability, or if Mr. Concepcion resigns for Good Reason, so long as he has signed and has not revoked a release agreement, he will be entitled to receive severance comprised of continuing payments of his base salary for a period of six months following the termination date.

Description of Additional Compensation Plans and Practices

Deferred Compensation Plan

The Company maintains a Non-Qualified Deferred Compensation Plan in which employees who are at the "director" level and above are eligible to participate. Participants must complete a deferral election each year and submit it to the Company, prior to the beginning of the fiscal year for which the compensation pertains, indicating the level of compensation (salary, bonus and commissions) they wish to have deferred for the coming year. This deferral election is irrevocable except to the extent permitted by the plan's administrator, and the applicable regulations promulgated by the Internal Revenue Service. For fiscal 2016 and 2017, the Company matched 25.0% of the first 4.0% contributed by participants and paid declared interest rates of 6.0% on balances contributed.

Deferral periods are defined as the earlier of termination of employment or not less than three calendar years following the end of the applicable plan year. Extensions of the deferral period for a minimum of five years are allowed, provided the election is made at least one year before the first payment affected by the change. Payments can be in a lump sum or in equal payments over a two-, five- or ten-year period, plus interest from the commencement date.

The plan assets are kept in an unsecured account that has no trust fund. In the event of bankruptcy, any future payments would have no greater rights than that of an unsecured general creditor of the Company and they confer no legal rights for interest or claim on any assets of the Company. Benefits provided by the deferred compensation plan

are not insured by the Pension Benefit Guaranty Corporation (PBGC) under Title IV of the Employee Retirement Income Security Act of 1974 (“ERISA”), because the pension insurance provisions of ERISA do not apply to the Deferred Compensation Plan.

Other Benefits

The Company provides additional benefit plans to employees, including the named executive officers, such as medical, dental, life insurance and disability coverage, flex benefit accounts, 401(k) plan, and an employee assistance program. The Company also provides vacation and other paid holidays to employees, including the named executive officers, which are comparable to those provided at other companies of comparable size.

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Tax Deductibility of Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended, places a limit of \$1,000,000 on the amount of compensation that the Company may deduct in any one year with respect to certain of its most highly paid executive officers. The exception to the \$1,000,000 limitation for performance-based compensation meeting certain requirements has been repealed, effective for tax years beginning after December 31, 2017. The Company has generally not paid compensation in excess of \$1,000,000 to any single executive officer in the past. Incentive compensation, including equity incentive awards, has not generally been structured to meet all of such requirements, and, as such, may not be fully deductible.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board of Directors

The size of our Board of Directors is set at eight by the shareholders. We currently have seven members serving as directors, with one vacancy. The following directors, constituting a majority of the Board, are “independent directors” as such term is defined in Rule 5605(a)(2) of the NASDAQ Stock Market’s Marketplace Rules: Joseph M. Jacobs, Eric S. Hirschhorn, Charles W. Mooty, Richard A. Shapiro and Bryan L. Wolff. The Board of Directors held five formal meetings during fiscal 2017.

The Company’s Board of Directors does not currently have a Chair or a lead independent director. Under the Company’s bylaws, when there is not a Chair appointed, the Chief Executive Officer presides at board meetings. The Board of Directors currently believes that the typical duties of a chair will be shared among the members of the Board and the Chief Executive Officer.

Board of Directors Role in Risk Oversight

The Audit Committee of the Board of Directors has been delegated the responsibility for risk oversight. In overseeing the Company’s risk management, the Audit Committee adheres to a detailed committee responsibilities calendar that addresses various risk-related matters. These matters include but are not limited to:

- meeting with management and the Company’s independent registered public accountant in separate executive sessions;
- interacting with management and the internal audit function;
- considering and reviewing with the Company’s independent registered public accountant the Company’s assessment and any related attestation (including related reports) on internal control over financial reporting, the adequacy of such controls and recommendations for improvements;
- inquiring of the Company’s finance and accounting function managers and the Company’s independent registered public accountant about significant risks or exposures, and any significant accounts that require management judgment;
- reviewing the Company’s policies for risk assessment and risk management, and assessing steps taken or to be taken to control such risk;
- assessing the oversight and management of the information risks, including those related to Company Information Technology projects; and
- overseeing the Company’s investment policies

Committees of the Board of Directors

The Company has a standing Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee. During fiscal 2017, each member of the Board of Directors attended at least 75% of the Board meetings and meetings of committees to which they belong during the period in which such member served as a director. Although the Company has no formal policy regarding directors’ attendance at the Company’s annual

shareholders meetings, the Company encourages such attendance by members of the Board of Directors. All but one of the Company's seven directors serving on the Board of Directors at the time of the Company's most recent annual shareholders' meeting, held May 2, 2017, were in attendance at that meeting.

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Below is a summary of the Company's board committee structure and current committee membership information. If elected to the board at the Annual Meeting, it is expected that Mr. Haeg will be appointed to the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee of the board and Mr. Welch, will be appointed to the Audit Committee and Compensation Committee of the board.