

BJs RESTAURANTS INC
Form DEF 14A
May 20, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(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 Pursuant to §240.14a-12

BJ S RESTAURANTS, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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

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

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(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:

BJ'S RESTAURANTS, INC.

16162 Beach Boulevard, Suite 100

Huntington Beach, California 92647

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held June 14, 2005

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of BJ's Restaurants, Inc., a California corporation (the "Company"), will be held at the Company's BJ's Restaurant & Brewhouse located at 16060 Beach Boulevard, Huntington Beach, California 92647 on June 14, 2005 at 9:00 a.m., Pacific Time for the following purposes:

- (1) The election of nine directors of the Company until the next annual meeting of shareholders;
- (2) Ratification and approval of BJ's Restaurants, Inc. 2005 Equity Incentive Plan;
- (3) Ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm ("independent auditors") for fiscal 2005; and
- (4) The transaction of such other business as may properly come before the meeting or any adjournments or postponements thereof.

The close of business on May 2, 2005, has been fixed as the record date for determining shareholders entitled to notice of and to vote at the meeting or any adjournment or postponements thereof. For a period of at least ten days prior to the meeting, a complete list of shareholders entitled to vote at the meeting will be open for examination by any shareholder during ordinary business hours at the Company's corporate headquarters located at 16162 Beach Boulevard, Suite 100, Huntington Beach, California 92647.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, YOU ARE URGED TO COMPLETE, DATE, SIGN AND RETURN PROMPTLY THE ENCLOSED PROXY IN THE ACCOMPANYING ENVELOPE. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES. PROXIES FORWARDED BY OR FOR BROKERS OR FIDUCIARIES SHOULD BE RETURNED AS REQUESTED BY THEM.

By Order of the Board of Directors,

PAUL A. MOTENKO

Co-Chairman of the Board of Directors, Vice

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President and Secretary of the Company

May 20, 2005

BJ S RESTAURANTS, INC.

16162 Beach Boulevard, Suite 100

Huntington Beach, California 92647

(714) 848-3747

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

JUNE 14, 2005

INFORMATION CONCERNING SOLICITATION AND VOTING

The following information is provided in connection with the solicitation of proxies by and on behalf of the Board of Directors of BJ s Restaurants, Inc. (the Company) in connection with the Annual Meeting of Shareholders of the Company (the Annual Meeting) and adjournments or postponements thereof to be held on June 14, 2005 at the Company s BJ s Restaurant & Brewhouse located at 16060 Beach Boulevard, Huntington Beach, California 92647, at 9:00 a.m., Pacific Time for the purposes stated in the Notice of Annual Meeting of Shareholders preceding this Proxy Statement.

SOLICITATION AND REVOCATION OF PROXIES

A form of proxy is being furnished herewith by the Company to each shareholder and in each case is solicited on behalf of the Board of Directors of the Company for use at the Annual Meeting. We made copies of this Proxy Statement available to shareholders beginning on May 20, 2005. The Company will bear the cost of the solicitation of proxies, including the charges and expenses of brokerage firms and others forwarding the solicitation material to beneficial owners of stock. The Company may pay persons holding shares in their names or the names of their nominees for the benefit of others, such as brokerage firms, banks, depositaries, and other fiduciaries, for costs incurred in forwarding soliciting materials to their principals. The costs of such solicitation are not expected to exceed \$5,000. Directors, officers and regular administrative employees of the Company may solicit proxies personally, by telephone or telegraph but will not be separately compensated for such solicitation services.

Shareholders are requested to complete, date and sign the accompanying proxy and return it promptly to the Company. Any proxy given may be revoked by a shareholder at any time before it is voted at the Annual Meeting and all adjournments thereof by filing with the Secretary of the Company a notice in writing revoking it, or by duly executing and submitting a proxy bearing a later date. Proxies may also be revoked by any shareholder present at the Annual Meeting who expresses a desire to vote such shares in person. Subject to such revocation, all proxies duly

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executed and received prior to, or at the time of, the Annual Meeting will be voted FOR the election of all nine of the nominee-directors specified herein, FOR the approval of BJ's Restaurants, Inc. 2005 Equity Incentive Plan, and FOR the ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2005, unless a contrary choice is specified in the proxy. Where a specification is indicated as provided in the proxy, the shares represented by the proxy will be voted and cast in accordance with the specification made therein. As to other matters, if any, to be voted upon, the persons designated as proxies will take such actions as they, in their discretion, may deem advisable. The persons named as proxies were selected by the Board of Directors of the Company and each of them is a Director of the Company.

Your execution of the enclosed proxy will not affect your right as a shareholder to attend the Annual Meeting and to vote in person.

Under the Company's bylaws and California law, shares represented by proxies that reflect abstentions or broker non-votes (i.e., shares held by a broker or nominee which are represented at the Annual Meeting, but with respect to which such broker or nominee is not empowered to vote on a particular proposal) will be counted as shares that are present and entitled to vote for purposes of determining the presence of a quorum. Any shares represented at the Annual Meeting but not voted (whether by abstention, broker non-vote or otherwise) will have no impact on the election of directors, except to the extent that the failure to vote for an individual results in another individual receiving a larger proportion of votes. Any shares represented at the Annual Meeting but not voted (whether by abstention, broker non-vote or otherwise) with respect to ratification and approval of the 2005 Equity Incentive Plan and ratification of the selection of Ernst & Young LLP will have the same effect as votes against such proposals. Broker non-votes will be treated as unvoted for purposes of determining approval of any such proposals and will not be counted as votes for or against such proposals.

SHAREHOLDERS VOTING RIGHTS

Only holders of record of the Company's Common Stock, no par value (Common Stock), at the close of business on May 2, 2005 (the Record Date) will be entitled to notice of, and to vote at, the Annual Meeting. On such date, there were 22,585,886 shares of Common Stock outstanding, with one vote per share.

With respect to election of directors, assuming a quorum is present, the nine candidates receiving the highest number of votes are elected. See Nomination and Election of Directors. To approve BJ's Restaurants, Inc. 2005 Equity Incentive Plan, assuming a quorum is present, the affirmative vote of shareholders holding a majority of the voting power represented and voting at the meeting (which shares voting affirmatively also constitute at least a majority of the required quorum) is required. To ratify the appointment of Ernst & Young LLP, assuming a quorum is present, the affirmative vote of shareholders holding a majority of the voting power represented and voting at the meeting (which shares voting affirmatively also constitute at least a majority of the required quorum) is required. A quorum is the presence in person or by proxy of shares representing a majority of the voting power of the Common Stock.

**STOCK OWNERSHIP OF CERTAIN
BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock as of May 2, 2005 by (a) each director of the Company, (b) each executive officer identified in the Summary Compensation Table, (c) all executive officers and directors of the Company as a group and (d) each person known by the Company to be the beneficial owner of 5% or more of the outstanding shares of Common Stock. Ownership of less than 1% is indicated by an asterisk.

<u>Name and Address(2)</u>	<u>Shares Beneficially Owned(1)</u>	
	<u>Number of Shares(3)</u>	<u>Percentage of Class(3)</u>
The Jacmar Companies	4,509,578(4)	19.97%
William H. Tilley, Chairman/CEO		
2200 W. Valley Blvd.		
Alhambra, CA 91803		
Golden Resorts, Inc.	3,471,231(5)	15.37%
Jerry G. Brassfield, Director		
140 Victory Lane		
Los Gatos, CA 95030		
Delaware Investment Advisers	2,000,000(6)	8.85%
One Commerce Square		
Philadelphia, PA 19103		
Next Century Growth Investors, LLC	1,491,494(7)	6.60%
5500 Wayzata Blvd., Suite 1275		
Minneapolis, MN 55416		
T. Rowe Price Associates, Inc.	1,399,200(8)	6.19%
100 East Pratt Street		
Baltimore, MD 21202		
Gerald W. Deitchle	105,000(9)	*
Paul A. Motenko	678,057(10)	2.96%
Jeremiah J. Hennessy	658,057(11)	2.87%

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Louis M. Mucci	52,554(12)	*
James A. Dal Pozzo	2,953,152(13)	13.05%
Shann M. Brassfield	644,053(14)	2.85%
John F. Grundhofer	55,154(15)	*
J. Roger King	40,154(16)	*
Larry D. Bouts	77,500(17)	*
Peter A. Bassi	5,000(18)	*
Michael A. Nahkunst	15,000(19)	*
R. Dean Gerrie	90,000(20)	*
Gregory S. Lynds	30,000(21)	*
J. William Streitberger	30,000(22)	*
All directors and executive officers as a group (16 persons)	5,547,681	23.31%

* Less than 1%

- (1) The persons named in the table, to the Company's knowledge, have sole voting and sole investment power with respect to all shares of Common Stock shown as beneficially owned by them, subject to community property laws where applicable and the information contained in the footnotes hereunder.
- (2) The address of the officers and directors of the Company is at the Company's principal executive offices at 16162 Beach Boulevard, Suite 100, Huntington Beach, California 92647.
- (3) Shares of Common Stock which a person had the right to acquire within 60 days are deemed outstanding in calculating the percentage ownership of the person, but not deemed outstanding as to any other person. Does not include shares issuable upon exercise of any options issued by the Company which are not exercisable within 60 days from May 2, 2005.
- (4) Consists of 2,624,129 shares held of record by The Jacmar Companies, 574,249 shares held by William H. Tilley, 1,100,000 shares held by the William H. Tilley Trust, 180,169 shares held by The William Tilley Family Foundation and 31,031 shares held by Tilley family members and affiliates. The Jacmar Companies are controlled by William H. Tilley whose address is the same as that of the Jacmar Companies. See Certain Relationships and Related Transactions.
- (5) Consists of 2,844,126 shares held of record by the Jerry G. Brassfield Revocable Trust, 59,602 shares held by Jerry G. Brassfield and family, 499,003 shares held by Golden Resorts, Inc. and 68,500 shares held by Autofocus. Jerry G. Brassfield is a director and major shareholder of Autofocus. Golden Resorts, Inc. is controlled by Jerry G. Brassfield whose address is the same as that of Golden Resorts, Inc.
- (6) The Company has been informed that Delaware Management Business Trust is the investment adviser or sub-adviser for the following accounts and consequently has investment discretion over such accounts: Delaware Small Cap Growth II Portfolio, a series of Delaware Pooled Trust; Delaware Small Cap Growth Fund, a series of Delaware Group Equity Funds III; Merck & Co., Inc. Employee Benefits Trust; Capital Opportunities Fund, a series of Mercantile Funds; Capital Appreciation Portfolio, a series of First Funds; First Horizon Capital Appreciation Portfolio, a series of Financial Investors Variable Insurance Trust; Small Cap Growth Fund, a series of SEI Institutional Managed Trust; and Small Cap Fund, a series of SEI Institutional Investments Trust. As a result of its investment discretion over such accounts, Delaware Management Business Trust may be deemed to be the beneficial owner of shares held by such accounts.
- (7) Consists of 1,491,494 shares held of record by Next Century Growth Investors, LLC, a Delaware limited liability company that is controlled by Thomas L. Press and Donald M. Longlet.
- (8) T. Rowe Price Associates, Inc. has sole voting power and dispositive power with respect to 1,399,200 shares. The number of shares set forth in this table and the foregoing information is based solely on information provided to the Company by T. Rowe Price Associates, Inc. T. Rowe Price Associates, Inc. has disclaimed beneficial ownership of these shares.
- (9) Consists of 5,000 shares of Common Stock of which Mr. Deitchle is the beneficial owner and 100,000 shares of Common Stock purchasable upon exercise of options.
- (10) Consists of 347,378 shares of Common Stock and options exercisable for up to 330,679 shares of Common Stock. See Executive Compensation and Other Matters .
- (11) Consists of 327,378 shares of Common Stock and options exercisable for up to 330,679 shares of Common Stock. See Executive Compensation and Other Matters .
- (12) Consists of 52,554 shares of Common Stock purchasable upon exercise of options.
- (13) Consists of 2,624,129 shares held of record by The Jacmar Companies, 102,300 shares held by James Dal Pozzo, 180,169 shares held by The William Tilley Family Foundation (of which Mr. Dal Pozzo is Secretary and a Director), 10,400 shares held by various Tilley family trusts (of which Mr. Dal Pozzo is co-trustee) and 36,154 shares of Common Stock purchasable upon exercise of options. Mr. Dal Pozzo is an executive officer and director of The Jacmar Companies. See Certain Relationships and Related Transactions.
- (14) Consists of 102,300 shares held of record by the Shann M. Brassfield Revocable Trust, 2,594 shares held by the Joann Brassfield Charitable Giving Foundation (of which Mr. Brassfield is a Director), 499,003 shares held by Golden Resorts, Inc., 4,002 shares of common stock of which Mr. Shann Brassfield is the beneficial owner and 36,154 shares of Common Stock purchasable upon exercise of options. Mr. Brassfield is an executive officer and director of Golden Resorts, Inc.
- (15) Consists of 50,000 shares of Common Stock of which Mr. Grundhofer is the beneficial owner and 5,154 shares of Common Stock purchasable upon exercise of options.

- (16) Consists of 7,000 shares of Common Stock of which Mr. King is the beneficial owner, 3,000 shares owned by his wife and 30,154 shares of Common Stock purchasable upon exercise of options.
- (17) Consists of 65,000 shares of Common Stock of which Mr. Bouts is the beneficial owner and 12,500 shares of Common Stock purchasable upon exercise of options.
- (18) Consists of 5,000 shares of Common Stock of which Mr. Bassi is the beneficial owner.
- (19) Mr. Nahkunst resigned on March 21, 2005. There remain 15,000 shares of Common Stock purchasable upon exercise of options until June 12, 2005. See Executive Compensation and Other Matters .
- (20) Consists of options exercisable for up to 90,000 shares of Common Stock. See Executive Compensation and Other Matters .
- (21) Consists of options exercisable for up to 30,000 shares of Common Stock. See Executive Compensation and Other Matters .
- (22) Consists of options exercisable for up to 30,000 shares of Common Stock. See Executive Compensation and Other Matters .

NOMINATION AND ELECTION OF DIRECTORS
(PROPOSAL NO. 1 ON PROXY CARD)

The Company's directors are to be elected at each annual meeting of shareholders. At this Annual Meeting, nine directors are to be elected to serve until the next annual meeting of shareholders and until their successors are elected and qualify. The nominees for election as directors at this Annual Meeting set forth in the table below are all recommended by the Board of Directors of the Company. In the event that any of the nominees for director should become unable to serve if elected, it is intended that shares represented by proxies which are executed and returned will be voted for such substitute nominee(s) as may be recommended by the Company's existing Board of Directors.

The nine nominee-directors receiving the highest number of votes cast at the Annual Meeting will be elected as the Company's directors. Subject to certain exceptions specified below, shareholders of record on the Record Date are entitled to cumulate their votes in the election of the Company's directors (i.e., they are entitled to the number of votes determined by multiplying the number of shares held by them times the number of directors to be elected) and may cast all of their votes so determined for one person, or spread their votes among two or more persons as they see fit. No shareholder shall be entitled to cumulate votes for a given candidate for director unless such candidate's name has been placed in nomination prior to the vote and the shareholder has given notice at the Annual Meeting, prior to the voting, of the shareholder's intention to cumulate his or her votes. If any one shareholder has given such notice, all shareholders may cumulate their votes for candidates in nomination. Discretionary authority to cumulate votes is hereby solicited by the Board of Directors if any shareholder gives notice of his or her intention to exercise the right to cumulative voting. In that event, the Board of Directors will instruct the proxy holders to vote all shares represented by proxies in a manner that will result in the approval of the maximum number of directors from the nominees selected by the Board of Directors that may be elected with the votes held by the proxy holders.

The following table sets forth certain information concerning the nominees for election as directors:

<u>Nominee</u>	<u>Principal Occupation</u>	<u>Age</u>
Paul A. Motenko	Co-Chairman of the Board of Directors, Vice President and Secretary of the Company	50
Jeremiah J. Hennessy	Co-Chairman of the Board of Directors	46
Gerald W. Deitchle	President, Chief Executive Officer of the Company	53
Peter A. Bassi	Retired; Former Chairman of Yum! Restaurants International	55
Larry D. Bouts	Investor/Business Advisor; Former Chairman and Chief Executive Officer of Six Flags Theme Parks	56
Shann M. Brassfield	President of Golden Resorts, Inc.	36
James A. Dal Pozzo	President of The Jacmar Companies	46
John F. Grundhofer	Chairman Emeritus, U.S. Bancorp	66
J. Roger King	Retired; Former Senior Vice President Human Resources at PepsiCo, Inc.	63

PAUL A. MOTENKO has been Co-Chairman of the Board since February 2005 and previously Chairman, Co-Chief Executive Officer, Vice President and Secretary of the Company since January 2001. Since its inception in 1991, he was the Chief Executive Officer, Co-Chairman of the Board, Vice President and Secretary of the Company. He is also Chairman of the Board and Secretary of Chicago Pizza Northwest, Inc., a Washington corporation and wholly owned subsidiary of the Company (CPNI). He is a certified public accountant and was a founding partner in the firm Motenko, Bachtelle & Hennessy from 1980 to 1991. In this capacity, Mr. Motenko provided accounting and consulting services to several restaurant companies, including BJ's Chicago Pizzeria. From 1976 to 1980, Mr. Motenko was employed as an accountant and consultant for several accounting firms, including Kenneth Leventhal and Company and Peat, Marwick, Main. Mr. Motenko graduated with high honors from the University of Illinois in 1976 with a Bachelor of Science in accounting.

JEREMIAH J. HENNESSY has been Co-Chairman of the Board since February 2005 and previously Co-Chief Executive Officer, President, and a Director of the Company since January 2001. Since its inception in 1991, he was the President, Chief Operating Officer and a Director of the Company. He is also Chief Executive Officer and a Director of CPNI. Mr. Hennessy is a certified public accountant and was a partner in the firm Motenko, Bachtelle & Hennessy from 1988 to 1991. His public accounting practice involved extensive work for food service and restaurant clientele. He served as a controller for a large Southern California construction company and has extensive background in construction and development. Mr. Hennessy has also worked for various restaurant concepts, including Marie Callender's and Knott's Berry Farm. Mr. Hennessy graduated Magna Cum Laude from National University in 1983 with a Bachelor of Science in accounting.

GERALD (JERRY) W. DEITCHLE has been President and Chief Executive Officer of the Company since February 1, 2005 and a member of the Company's Board of Directors since November 2004. Mr. Deitchle has over 27 years of executive and financial management experience with national restaurant and retail chain operations. From April 2004 to January 2005, Mr. Deitchle served as President, Chief Operating Officer and a director of Fired Up, Inc., a privately held company that owns, operates and franchises the Johnny Carino's Italian restaurant concept. Mr. Deitchle remains a director of Fired Up, Inc. From 1995 to 2004, he was a member of the executive management team at The Cheesecake Factory Incorporated, a publicly held operator of upscale casual dining restaurants. At The Cheesecake Factory, Mr. Deitchle served as Chief Financial Officer and was also named corporate President in 2002. From 1984 to 1995, he was employed by the parent company of Long John Silver's restaurants, with his last position as Executive Vice President responsible for finance, purchasing, franchising, strategic planning, legal affairs and information technology. Mr. Deitchle earned a BBA from Texas A&M University and an MBA from The University of Texas at San Antonio. He holds the CPA, CMA, CFM and CCP designations.

PETER (PETE) A. BASSI has been a Director of the Company since September 2004. Mr. Bassi recently retired as Chairman of Yum! Restaurants International (also known as YRI). YRI is the International Division of Yum! Brands Restaurants, Inc, which is the exclusive franchiser of Taco Bell, Pizza Hut, KFC, Long John Silvers and A&W. Mr. Bassi led YRI since June 1997. Prior to that assignment, he was in charge of YRI's Asian business, and was based in Hong Kong. Yum! (Tricon) was created in 1997 in a spin-off from PepsiCo, Inc. Mr. Bassi joined PepsiCo in 1972 in the Pepsi-Cola Company. During his over 30 year career, he has worked in Pepsi-Cola International, Pizza Hut (U.S. and International), Frito-Lay, and Taco Bell. His assignments have included largely a career track in Finance, in addition to assignments in Real Estate Development and General Management. Mr. Bassi received a B.S. in Mathematics and an M.B.A. from the University of Rhode Island.

LARRY D. BOUTS has been a Director of the Company since April 2004. Mr. Bouts currently serves as an investor and advisor to several early stage companies in various industry segments, including technology, energy, human resources, and consumer oriented businesses. Previously, Mr. Bouts acted as Chairman and CEO of Six Flags Theme Parks while a private company. Prior to that he led the launch of the Toys 'R Us international expansion throughout Canada, Australia, Europe, and Asia as President of the International Division, successfully developing a profitable multi-billion dollar offshore retail brand in over 25 countries. Mr. Bouts spent 13 years at PepsiCo, Inc. in finance where he held various planning and finance positions, including CFO of two of the operating divisions. Mr. Bouts holds a Bachelor of Arts degree in Mathematics from Hiram College and an MBA degree in finance from The Wharton School at the University of Pennsylvania. He also served for 6 years as a junior officer in the US Navy.

SHANN M. BRASSFIELD has been a Director of the Company since January 26, 2001. Mr. Brassfield has been President of Golden Resorts, Inc., an investment and real estate company, since January 1997, where he currently manages all aspects of investing in real estate, securities and operating businesses. From 1991 through 1997, he was the Vice-President of Pacific Summit Development, Inc., an international real estate development company. Mr. Brassfield also has extensive experience in the restaurant and hospitality industry. Mr. Brassfield graduated from San Jose State University in 1991 with a Bachelor of Science in Business Administration Management.

JAMES A. DAL POZZO has been a Director of the Company since January 26, 2001. Mr. Dal Pozzo has served as the President of the Jacmar Companies since 1993. He was Jacmar's Chief Financial Officer and Treasurer from 1987 to 1992. Mr. Dal Pozzo also is President of Pacific Ventures, Ltd., a company with restaurant operations in Guam. Mr. Dal Pozzo serves as a director of The Jacmar Companies, and Pacific Ventures, Ltd. He also serves as a trustee or board member for a number of private family foundations, trusts and advisory boards. Mr. Dal Pozzo is a graduate, magna cum laude, from the University of Southern California. Mr. Dal Pozzo is a certified public accountant and was with Peat Marwick from 1981 to 1987, where he specialized in restaurant, distribution, retail and manufacturing industries. Mr. Dal Pozzo served as the Chief Financial Officer of the Ojai Ranch and Investment Company in 1992.

JOHN (JACK) F. GRUNDHOFER has been a Director of the Company since April 11, 2002. Mr. Grundhofer is Chairman Emeritus of U. S. Bancorp, the 6th largest financial services holding company in the United States with assets in excess of \$190 billion. Having served the company since 1990, Grundhofer retired at the end of 2002. Prior to his retirement, he was chairman of the new U. S. Bancorp, formed by the 2001 merger of Firststar Corporation and U.S. Bancorp. Previously Grundhofer was chairman, president and CEO of the former U.S. Bancorp. He joined then-FBS (a \$10 billion bank) as chairman, president and CEO in 1990. Mr. Grundhofer is also a director of The Donaldson Company, Inc. and Securian Financial Group (formerly known as Minnesota Life Insurance Company). He also sits on the Advisory Council of Churchill Capital. He serves on the boards of the Danny Thompson Memorial Foundation, the Horatio Alger Association and Eisenhower Medical Center in Rancho Mirage, California. He is also a trustee of Loyola Marymount University in California and of The University of South Dakota Vermillion. Mr. Grundhofer also serves on the Palm Springs International Film Festival as a director. His most recent professional associations have included Financial Services Roundtable, International Monetary Conference, Federal Advisory Board and Federal Reserve Board. In 1997, he received the Horatio Alger Award. Mr. Grundhofer earned a bachelor's degree in economics from Loyola Marymount University, Los Angeles, and his MBA degree in finance from the University of Southern California, Los Angeles.

J. ROGER KING has been a Director of the Company since April 11, 2002. Mr. King spent 29 years in the Human Resources field for PepsiCo, Inc. During that tenure he served as Vice President of Labor Relations at Frito-Lay, Vice President of Human Resources at Pizza Hut and finally he served for 13 years as Senior Vice President of Human Resources at PepsiCo, Inc. Mr. King also serves on the Board of Trustees of Texas Christian University. In addition, he has served as Chairman of the Employee Relations Committee of The Business Roundtable and Vice Chairman of the Labor Policy Association in Washington, D.C.

The terms of all directors will expire at the next annual meeting of shareholders or when their successors are elected and qualified. The Board of Directors may fill interim vacancies of directors. Each officer is elected by, and serves at the discretion of, the Board of Directors, subject to the terms of any employment agreement.

Shareholders wishing to contact any Board member may do so by writing a letter addressed to such Board member and addressing it to the Company's corporate address.

Determination of Director Independence

Pursuant to the *Corporate Governance Guidelines*, the Board undertook its annual review of director independence in February 2005. During these reviews, the Board considered transactions and relationships between each director or any member of his or her immediate family and the Company and its subsidiaries and affiliates, including those reported under "Certain Relationships and Related Transactions". The Board also examined transactions and relationships between directors or their affiliates and members of the Company's senior management or their affiliates. As provided in the *Corporate Governance Guidelines*, the purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the director is independent.

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As a result of this review, the Board affirmatively determined that all of the directors nominated for election at the annual meeting are independent of the Company and its management under the standards set forth in the

Corporate Governance Guidelines, with the exception of Paul A. Motenko, Jeremiah J. Hennessy, Gerald W. Deitchle and James A. Dal Pozzo. Messrs. Motenko and Hennessy are considered inside directors because of their employment as senior executives of the Company. Under the newly adopted independence standard in the *Guidelines*, Mr. Dal Pozzo is considered a non-independent outside director because of the amount of food products purchased by the Company from The Jacmar Companies, which employs Mr. Dal Pozzo as President. Mr. Deitchle is now considered a non-independent director because, as of February 1, 2005, he became the Company's President and Chief Executive Officer.

As Louis Mucci has become the Company's Chief Financial Officer, he is no longer considered an independent director as defined by NASDAQ. He has agreed to not seek re-election to the Board until a majority of Board membership is composed of sufficient independent directors to allow for him joining the Board.

Board Meetings

The Board met six times during fiscal 2004. Each director attended all of the meetings of the Board and Committees on which he served. All Directors attended the Company's annual shareholders' meeting in June 2004. Under the Company's *Corporate Governance Guidelines*, each Director is expected to dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties, including by attending meetings of the shareholders of the Company, the Board and Committees of which he is a member.

EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES

The following table sets forth certain information concerning the executive officers of the Company and certain significant employees.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Gerald W. Deitchle	53	President, Chief Executive Officer
Paul A. Motenko	50	Co-Chairman of the Board, Vice President and Secretary
Jeremiah J. Hennessy	46	Co-Chairman of the Board
Michael A. Nahkunst	54	Former Chief Operating Officer
Louis M. Mucci	63	Chief Financial Officer
R. Dean Gerrie	53	Chief Brand Officer
Gregory S. Lynds	43	Chief Development Officer
J. William Streitberger	48	Chief Human Resource Officer
Salvadore A. Navarro	50	Senior Vice President Food & Beverage
Alexander M. Puchner	44	Senior Vice President of Brewing Operations

For information regarding the business background of Mr. Deitchle, Mr. Motenko and Mr. Hennessy, see Directors above.

MICHAEL A. NAHKUNST, the former Chief Operating Officer, left the Company March 21, 2005 when his contract expired.

LOUIS M. MUCCI has been a Director of the Company since May 2, 2002 and Chief Financial Officer of the Company since March 15, 2004. Mr. Mucci, a CPA and business consultant, is a retired PricewaterhouseCoopers LLP Partner (formerly Coopers & Lybrand). Mr. Mucci was a

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Partner for 25 years and was the Retail Chairman for the West Region and a member of the National Retail Executive Committee. Mr. Mucci was the Engagement Partner serving Chicago Pizza & Brewery from 1994 to 2000. His other clients have included Outback Steakhouse, The Cheesecake Factory, California Pizza Kitchen, IHOP, Grill Concepts, Jerry's Famous Deli's, Wolfgang Puck, Baja Fresh, La Salsa, Gelson's Markets, Mission Foods, Ralph's, Certified Grocers, American and National Golf where he provided advice to their Audit Committees. Mr. Mucci's extensive SEC experience includes guiding many of the above companies through their Initial Public Offerings.

Mr. Mucci has Chaired, for the past several years, the AICPA Annual Restaurant Conference held for Chief Financial Officers, Controllers and accountants. Mr. Mucci is also a director of Build-A-Bear Workshops, Inc. He has received several alumni awards from California State University at Los Angeles.

R. DEAN GERRIE has served as Chief Brand Officer since 2002 and as Senior Vice President of Design and Marketing since January 1997. Prior to joining the Company, Mr. Gerrie served as President/Creative Director with Guzman Gerrie Advertising from 1980 to 1989 and as principal of Dean Gerrie Design, a corporate identity and marketing consultancy, from 1989 to 1997. Mr. Gerrie has maintained a leadership role in the Southern California design community as founder of the Orange County Chapter of the American Institute of Graphic Arts and has taught design and marketing as an associate professor at University of California, Irvine Extension and at the Southern California Institute of the Arts.

GREGORY S. LYNDS, the Chief Development Officer, joined the Company in July 2003. Mr. Lynds brings over 11 years of experience in the restaurant industry combined with an institutional real estate background. He joins the Company from Darden Restaurants, Inc., the largest casual dining company in America, where he was responsible for the expansion of all Darden's restaurant concepts in twelve western states and Canada. Prior to joining Darden, Mr. Lynds served as Vice President of Real Estate and Development for Wilshire Restaurant Group (Marie Calendar's and East Side Mario's) and also with an affiliate to Wilshire as a Partner responsible for expanding the Mimi's Café brand. Mr. Lynds received an MBA from the University of Southern California Graduate School of Business and a B.S. in Marketing from California State University, Fresno.

J. WILLIAM STREITBERGER, the Chief Human Resource Officer, joined the Company in May 2002. Mr. Streitberger brings over 20 years of restaurant industry experience, with a background in both operations and human resources. He joins the Company from the tech industry, where he was responsible for the ramp up of the human resource and development initiative for a tech start-up in Dallas Texas. Prior to that position, Mr. Streitberger spent two years as Vice President of Recruiting for The Cheesecake Factory, and ten years as Vice President for Brinker International Inc, (Chili's, Macaroni Grill, Maggiano's, Corner Bakery and On The Border). Previously, he was a restaurant operator with Steak and Ale Restaurants, Inc in Dallas Texas. Mr. Streitberger received a BSBA from the Business School at the University of Central Florida.

SALVADOR A. NAVARRO has served as Senior Vice President of Food & Beverage since 2002 and previously served as Vice President of Food and Beverage for the Company since 1995. He brings to his position more than 20 years of experience in the food and beverage industry. Before joining BJ's Restaurants, Inc., Mr. Navarro was Central Operations Manager for Knott's Berry Farm in Buena Park, CA. Prior to that, he spent 14 years as Director of Food and Beverage for Southwest Foods, Inc.'s Claim Jumper Restaurants.

ALEXANDER M. PUCHNER is Senior Vice President of Brewing Operations for the Company, having been appointed to the position in January 1996. From 1993 to 1995, Mr. Puchner was as a founder and brewmaster for Laguna Beach Brewing Co., Huntington Beach Beer Co., Newport Beach Brewing Co. and Westwood Brewing Co. From 1988 to 1993, Mr. Puchner served as Product Manager for Aviva Sports/Mattel Inc. and Marketing Research Manager for Mattel Inc. Under Mr. Puchner's supervision, BJ's has earned over 40 awards at national and international beer competitions, including the honor of Large Brewpub of the Year at the 2002 Great American Beer Festival. Mr. Puchner has been a nationally certified beer judge since 1990. Mr. Puchner received a Bachelor of Arts from Cornell University in 1983 and a Master of Business Administration degree from the University of Chicago in June 1986.

INFORMATION CONCERNING THE BOARD OF DIRECTORS

AND CERTAIN COMMITTEES THEREOF

The business of the Company's Board of Directors is conducted through full meetings of the Board, as well as through meetings of its committees. There were six meetings of the Board of Directors of the Company during the last fiscal year of the Company. Each of the directors of the Company attended 75% or more of the aggregate of the total number of meetings of the Board of Directors held during the period in which he was a director.

Audit Committee

The Company maintains an Audit Committee which reviews and reports to the Board on various auditing and accounting matters, including the annual audit report from the Company's independent public accountants. From January 2004 until March 15, 2004, the Audit Committee consisted of Louis Mucci (Chairman), Steve Leonard and John Grundhofer. On March 15, 2004, Mr. Mucci accepted the position of Chief Financial Officer of the Company and resigned from his position on the Audit Committee. On March 16, 2004, Mr. Shann Brassfield accepted a position on the Audit Committee and Mr. John F. Grundhofer accepted the position of Chairman of the Audit Committee and, from March 2004 through July 2004, the Audit Committee consisted of Mr. Grundhofer (Chairman), Mr. Leonard and Mr. Brassfield. In July 2004, Mr. Bouts and in September 2004 Mr. Bassi joined the Audit Committee, when Mr. Brassfield resigned from the Audit Committee and Mr. Leonard resigned from the Committee and Board. Thereafter, from September 2004 through the remainder of fiscal year 2004, the Audit Committee consisted of Mr. Grundhofer (Chairman), Mr. Bouts and Mr. Bassi. The Audit Committee held four meetings during the last fiscal year. See Report of the Audit Committee for a further description of the functions performed by the Audit Committee.

Compensation Committee

The Compensation Committee determines executive compensation policies, administers compensation plans, reviews programs and policies and monitors the performance and compensation of certain officers and other employees. The Compensation Committee determines appropriate awards under the Company's 1996 Stock Option Plan. The Compensation Committee consisted of Messrs. J. Roger King, Steve Leonard and Shann Brassfield during the fiscal year 2004. Mr. King is the Chairman of the Compensation Committee. Mr. Peter Bassi accepted a position on the Compensation Committee when Mr. Leonard resigned from the Board. The Compensation Committee held three meetings during the last fiscal year.

Governance and Nomination Committee

The Company also maintains a Governance and Nomination Committee that is responsible for developing and implementing policies and practices relating to corporate governance, including reviewing and monitoring implementation of the Company's corporate governance. In addition, the Committee develops and reviews background information on candidates for the Board and makes recommendations to the Board regarding such candidates. The Committee also prepares and supervises the Board's annual review of directors' independence and the Board's performance self-evaluation. The charter of the Governance and Nomination Committee is available on the Company's website (www.bjsbrewhouse.com). The Governance and Nominating Committee considers candidates for Board membership suggested by its members and other Board members, as well as management and shareholders. A shareholder who wishes to recommend a prospective nominee for the Board should notify the Company's Director of Corporate Relations or any member of the Governance and Nominating Committee in writing with whatever supporting material the shareholder considers appropriate. The Governance and Nominating Committee will also consider whether to nominate any person nominated by a shareholder pursuant to the provisions of the Company's bylaws relating to shareholder nominations.

Once the Governance and Nominating Committee has identified a prospective nominee, the Committee makes an initial determination as to whether to conduct a full evaluation of the candidate. This initial determination is based on whatever information is provided to the Committee with the recommendation of the prospective candidate, as well as the Committee's own knowledge of the prospective candidate, which may be

supplemented by inquiries to the person making the recommendation or others. The preliminary determination is based primarily on the need for additional Board members to fill vacancies or expand the size of the Board and the likelihood that the prospective nominee can satisfy the evaluation factors described below. If the Committee determines, in consultation with the Chairman of the Board and other Board members, as appropriate, that additional consideration is warranted, it may request the third-party search firm to gather additional information about the prospective nominee's background and experience and to report its findings to the Committee. The Committee then evaluates the prospective nominee against the standards and qualifications set out in the Company's *Corporate Governance Guidelines*, including:

the ability of the prospective nominee to represent the interests of the shareholders of the Company;

the prospective nominee's standards of integrity, commitment and independence of thought and judgment;

the prospective nominee's ability to dedicate sufficient time, energy and attention to the diligent performance of his or her duties, including the prospective nominee's service on other public company boards;

the extent to which the prospective nominee contributes to the range of talent, skill and expertise appropriate for the Board;

the extent to which the prospective nominee helps the Board reflect the diversity of the Company's shareholders, employees, customers, guests and communities.

The Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board, the balance of management and independent directors, the need for Audit Committee expertise and the evaluations of other prospective nominees. In connection with this evaluation, the Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Committee, and others as appropriate, interview prospective nominees in person or by telephone. After completing this evaluation and interview, the Committee makes a recommendation to the full Board as to the persons who should be nominated by the Board, and the Board determines the nominees after considering the recommendation and report of the Committee.

The Governance and Nomination Committee was established in March 2004 and consists of Mr. Grundhofer, Mr. Brassfield and Mr. King, all of whom are independent directors. Mr. Grundhofer serves as Chairman of the Governance and Nomination Committee. The Governance and Nomination Committee held two meetings during the last fiscal year.

Any shareholder, who wishes to communicate directly with the Board of Directors or one or more specific directors, may send a letter addressed to the Board of Directors or to the specific directors intended to be addressed to the Company's principal office. Alternatively, a shareholder may send an email to Ms. Dianne Scott at dscott@bjsrestaurants.com, and indicate in the email the specific directors to whom the communication is addressed. The Company will forward all communications to the Board of Directors or to the specific directors identified by the shareholder. The Company's current policy is to send every shareholder's communication addressed to the Board of Directors or to one or more specific directors to the identified directors.

COMPENSATION OF BOARD OF DIRECTORS

The Company paid each non-employee director an annual fee of \$6,000, plus \$750 per board meeting attended in person, \$400 per telephonic board meeting over 30 minutes, \$200 per telephonic board meeting under 30 minutes, \$500 per committee meeting in person, \$300 per telephonic committee meeting over 30 minutes, and \$100 per telephonic committee meeting under 30 minutes. Upon initially joining the Board of Directors, each non-employee Director receives options to acquire 25,000 shares of common stock at a price equal to the fair market value as

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of the date of the grant. Such options vest over a two year period. In addition, the Company compensates Directors annually with a stock option grant equal to a valuation of \$30,000 as determined under the Black Scholes model. The Directors annual stock option grant will occur on January 15 each year, and vest over a three year period.

CODE OF ETHICS

The Company has a Code of Ethics to promote honest and ethical conduct of the Company's business, professional and personal relationships. The Code of Ethics covers all executives, directors, and employees. The Code of Ethics is available on the Company's website (www.bjsrestaurants.com). The Company intends to post amendments to or waivers from its Code of Ethics at this website location.

REPORT OF AUDIT COMMITTEE

The following Audit Committee report does not constitute soliciting material and shall not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended, except to the extent the Company specifically incorporates this Audit Committee report by reference therein.

In accordance with its written charter adopted by the Board of Directors, the Audit Committee assists the Board in overseeing and monitoring the Company's financial reporting practices. A copy of the Audit Committee Charter was attached as Exhibit 1 to the 2004 proxy. The members of the Audit Committee are independent (as such term is defined in Rule 4200(a)(14) of the National Association of Securities Dealers' listing standards, which are applicable to the Company as a result of the listing of its Common Stock on the NASDAQ Market). In addition, all members of the Audit Committee have been designated as financial experts (as such term is defined in SEC Release Nos. 33-8177A and 33-8177).

As more fully described in its charter, the Audit Committee oversees the Company's financial reporting and internal control processes on behalf of the Board of Directors, as well as the independent audit of the Company's consolidated financial statements by the Company's independent auditors. The Audit Committee approved the engagement of Ernst & Young LLP (E&Y) as the Company's independent auditors for fiscal year 2004. Management has the primary responsibility for the Company's financial statements and the financial reporting process, including the Company's system of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the Company's audited financial statements for fiscal 2004 with management and E&Y. Management and E&Y have represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles.

The Committee reviewed with the independent auditors, who are responsible for expressing an opinion on the conformity of those audited financial statements with accounting principles generally accepted in the United States, their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Committee under auditing standards generally accepted in the United States, including matters required to be discussed by Statement on Auditing Standards No. 61,

Communication with Audit Committees. In addition, the Committee has discussed with the independent auditors the auditors' independence from management and the Company including the matters in the written disclosures required by the Independence Standards Board and considered the compatibility of non audit services with the auditors' independence.

The Committee discussed with the Company's independent auditors the overall scope and plans for their respective audits. The Committee meets with the independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Annual Report on Form 10-K for the year ended January 2, 2005 for filing with the Securities and Exchange Commission. The Committee and the Board have also recommended, subject to shareholder approval, the

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selection of Ernst & Young LLP as the Company's independent auditors for its fiscal year 2005.

The Audit Committee

John F. Grundhofer

Larry D. Bouts

Peter A. Bassi

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EXECUTIVE COMPENSATION AND OTHER MATTERS

EXECUTIVE COMPENSATION

The following table sets forth information concerning compensation for the three fiscal years ended January 2, 2005, December 28, 2003 and December 29, 2002 of the former Co-Chief Executive Officers and the other four top compensated executives of the Company whose salary and bonus compensation was at least \$100,000 in such fiscal years.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Stock option Grants
		Salary	Bonus	Other Annual Compensation	
Paul A. Motenko*		-			
Chairman of the Board, Vice					
President and Secretary, Co-Chief					