

FAMOUS DAVES OF AMERICA INC
Form DEF 14A
March 19, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under 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.
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(1) Title of each class of securities to which transaction applies:

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(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 200

Minnetonka, Minnesota 55343

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD APRIL 30, 2013

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 Company s office at 12701 Whitewater Drive, Minnetonka, Minnesota, on Tuesday, April 30, 2013, 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 six directors;
2. The ratification of the appointment of Grant Thornton LLP as the independent registered public accounting firm of the Company for fiscal 2013;
3. Advisory approval of the Company s executive compensation (Say-on-Pay);
4. Advisory vote on the frequency of holding Say-on-Pay votes; 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 5, 2013 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 April 30, 2013.

The proxy statement for the Annual Meeting and the Annual Report to Shareholders for the fiscal year ended December 30, 2012, each of which is included with this Notice, are also 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

Diana G. Purcel
Secretary

March 19, 2013

FAMOUS DAVE S OF AMERICA, INC.

12701 Whitewater Drive, Suite 200

Minnetonka, Minnesota 55343

PROXY STATEMENT

Annual Meeting of Shareholders to be Held

April 30, 2013

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. (periodically referred to herein as Famous Dave s and the Company) to be used at the annual meeting of shareholders of the Company (the Annual Meeting) to be held on Tuesday, April 30, 2013, at 3:00 p.m., at the Company s office at 12701 Whitewater Drive, Minnetonka, Minnesota, for the purpose of considering and taking appropriate action with respect to the following:

1. The election of six directors;
2. The ratification of the appointment of Grant Thornton LLP as the independent registered public accounting firm of the Company for fiscal 2013;
3. Advisory approval of the Company s executive compensation (Say-on-Pay);
4. Advisory vote on the frequency of holding Say-on-Pay votes; 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 March 19, 2013.

PROXIES AND VOTING

Registered shareholders may vote in one of three ways: By completing and returning the enclosed proxy card via regular mail or by voting via the Internet or telephone. Specific instructions for using these methods are set forth on the enclosed proxy card. The Internet and telephone procedures are designed to authenticate the shareholder s identity and to allow shareholders to vote their shares and confirm that their instructions

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have been properly recorded.

The Board of Directors has set the close of business on March 5, 2013 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 7,522,899 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 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 One) 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 ONE 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 THIS PROPOSAL.**

PROPOSALS
PROPOSAL No. 1 Election of Directors

Our Board of Directors currently consists of the following six directors, five of whom have been nominated for re-election by our Board. Due to a recent change in Company management, Christopher O'Donnell, the Company's President and Chief Operating Officer and currently a director whose term expires at the Annual Meeting, is not standing for reelection as a director. Upon the recommendation of our Corporate Governance and Nominating Committee, our Board has nominated Patrick Walsh to succeed to the Board position currently held by Mr. O'Donnell. If elected, each nominee has consented to serve as a director of the Company and to hold office until the next Annual Meeting, or until his or her successor is elected and shall have qualified.

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 qualifies any person to serve as a director of our Company, we believe that the beneficial ownership of our Board nominees (collectively 17.8% as of the Record Date) aligns their interests with those of our shareholders and will drive our Board's focus on maximizing shareholder value.

Name and Age of	Principal Occupation, Business Experience	Director
Director and/or Nominee	For the Past Five Years and Directorships of Public Companies	Since
Wallace B. Doolin Age 66	Wallace B. Doolin currently is the founder and CEO of Black Box Intelligence, a Dallas-based company that provides benchmarking information and analysis for public and private restaurant companies, and serves as Executive Chairman and CEO of ESP Systems a hospitality technology company. Additionally, Mr. Doolin serves as a member of the board of directors of Share Our Strength, the leading organization to end childhood hunger. From November 2004 through January 2008, Mr. Doolin was Chairman, President and CEO of Buca, Inc., operators of the Buca di Beppo chain of restaurants. He served as CEO of La Madeleine Bakery Café and Bistro, a 64-restaurant chain based in Dallas, Texas from 2002 to 2004, and from 1994 to 2002 was CEO and President of Carlson Restaurants Worldwide, Inc., and TGI Friday's Inc., a casual dining restaurant company. Mr. Doolin was a Senior Vice President and Executive Vice President of CRW and Friday's from 1989 to 1993. From 1984 to 1986, Mr. Doolin served as President of Applebee's, and from 1972 to 1989 he held senior leadership positions at W.R. Grace's Restaurant Division, Flakey Jake's, Inc., and Steak and Ale Restaurants. Mr. Doolin has received the IFMA Silver Plate and NRN Golden Chain awards; he is a board member emeritus of the National Restaurant Association, and a past chairman of its Education Foundation. <i>Committees: Compensation (Chair); Strategic Planning (Chair); Audit; and Corporate Governance and Nominating.</i>	2009

Name and Age of	Principal Occupation, Business Experience	Director
Director and/or Nominee	For the Past Five Years and Directorships of Public Companies	Since
John F. Gilbert III	<p>Mr. Doolin's extensive experience operating large, national restaurant chains makes him particularly well-qualified to assist the Board of Directors in overseeing the Company's restaurant and franchise operations. Having led the development and/or growth of several casual dining restaurant concepts, we believe that our Board will draw upon Mr. Doolin's knowledge and expertise in the areas of real estate, franchising and human resources, the latter of which has made him a valued member of the Compensation Committee.</p> <p>John Gilbert has served as Chief Executive Officer since October 8, 2012. Previously, Mr. Gilbert served as President and Chief Executive Officer of Vermont Teddy Bear, a pioneering ecommerce direct-to-consumer retailer, since February 2009. Prior to Vermont Teddy Bear, Mr. Gilbert had a 30 year career as a marketing leader in the retail and restaurant industries. He is a recognized expert on brand strategy, new product development and consumer advertising. He previously served as the Chief Marketing Officer for The TJX Companies, Inc. from January, 2007 to February 2009, as Vice President of Marketing for Dunkin' Brands, Inc. from September 2003 to December 2006, and as Chief Marketing Officer for Kentucky Fried Chicken. Mr. Gilbert also served as the senior marketing executive for Carlson Restaurants Worldwide, Inc. and General Cinema Corporation. Mr. Gilbert currently serves on the Board of Directors of IGNITE Restaurant Group, which owns Joe's Crab Shack. <i>Committee: Strategic Planning.</i></p> <p>Our Board believes that Mr. Gilbert, as Chief Executive Officer, is appropriately situated to be a representative of management on the Company's Board of Directors given his position as the Company's principal executive officer. In addition, Mr. Gilbert's deep experience in marketing and e-commerce, as well as with franchise companies and the restaurant industry, are an invaluable resource to the Company and qualify him to serve as a member of its Board of Directors, a position he held prior to being employed by the Company.</p>	2011
Age 56		
Lisa A. Kro	<p>Lisa A. Kro is a founding partner of Mill City Capital, L.P. where she is the Chief Financial Officer and Managing Director. From September 2004 to March 2010, Ms. Kro was the Chief Financial Officer and a Managing Director of Goldner Hawn Johnson and Morrison Incorporated. Prior to joining Goldner Hawn she was at KPMG LLP, an international public accounting firm from 1987-2004, where she ultimately became an audit partner. Ms. Kro also serves on the boards of Herman Miller Inc., a public company, and Specialty Commodities, Inc., and Wholesale Produce Supply, both privately held companies. <i>Committees: Audit (Chair); Compensation; and Corporate Governance and Nominating.</i></p> <p>Serving as an audit partner for a Big 4 accounting firm and more recently as the principal financial and accounting officer for a private equity firm qualifies Ms. Kro to serve on the Company's Board of Directors and its Audit Committee as an audit committee financial expert. With her education, background and experience, she is particularly qualified to assist the Board in overseeing the Company's</p>	2009
Age 47		

Name and Age of	Principal Occupation, Business Experience	Director
Director and/or Nominee	For the Past Five Years and Directorships of Public Companies	Since
Richard L. Monfort	<p>financial and accounting functions and evaluating the Company's internal controls over financial reporting. In addition, in light of her position and experience at Mill City Capital and Goldner Hawn, Ms. Kro 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. Ms. Kro's interaction with institutional portfolio companies also provides insight to the Board on matters affecting capital markets and on corporate governance and compensation trends.</p> <p>From 1991 to 1995, Richard L. Monfort served as Group Vice President and Chief Executive Officer of ConAgra Red Meats division, which had approximately \$8 billion in annual pork and beef sales. From September 1995 to the present, Mr. Monfort has been engaged in the management of various private business and investment interests, including acting as managing partner of the Hyatt Grand Champions Hotel in Palm Springs, California, and being an owner of the Hilltop Steakhouse in Boston, Massachusetts and a partner in the Montera Cattle Company. Since 1997, Mr. Monfort has been an owner and executive officer of the Colorado Rockies, a professional baseball team, where he currently serves as Chairman and Chief Executive Officer. <i>Committees: Corporate Governance and Nominating (Chair); Audit; and Strategic Planning.</i></p> <p>In addition to his general business acumen and business and investment management experience, including in the hospitality and restaurant industries, Mr. Monfort's experience with the pork and beef markets uniquely qualifies him to serve on the Company's Board of Directors. His additional experience as a private equity investor, coupled with his ownership position in the Company, provides the Board with a strategic focus on maximizing shareholder value.</p>	1996
Age 58		
Dean A. Riesen	<p>Dean A. Riesen has served as Chairman of the Company's Board of Directors since August 2011 and has served as a director since March 2003. Mr. Riesen has been Managing Partner of Rimrock Capital Partners, LLC and Riesen & Company, LLC since 2001, both real estate investment entities. Riesen also served as a member of Meridian Bank, N.A.'s Board of Directors and Chairman of its Audit Committee from 2005-2009. Previously, Mr. Riesen served as Chief Financial Officer of Carlson Holdings, Inc. (parent of Carlson Companies, Inc. and T.G.I. Friday's, Inc.) from 1999-2001. Mr. Riesen was also President & CEO of Tonkawa, Inc. from 1999-2001 and President, CEO, and General Partner of Carlson Real Estate Company from 1985-2001. Mr. Riesen served on Carlson Companies' Investment Committee from 1989-1999. Mr. Riesen was a member of Thomas Cook Holdings LTD (U.K.) Board of Directors and a member of its Audit Committee. Mr. Riesen currently serves as a member of the Advisory Board of Services Group of America, Inc.</p>	2003
Age 56		

Name and Age of	Principal Occupation, Business Experience	Director
Director and/or Nominee	For the Past Five Years and Directorships of Public Companies	Since

In addition to serving in a variety of business related capacities, Mr. Riesen's background in strategic business planning and his expertise in real estate matters specifically qualifies him to serve on the Company's Board of Directors, where he can help develop and guide the Company's strategic plans and assist the Board in overseeing the Company's real estate related matters. In addition, because Mr. Riesen has acquired a breadth of knowledge and remains current on trends in corporate governance and compensation practices, he is a valuable resource to the Board serving as its Chairman. Mr. Riesen also brings a shareholder's mentality to the Board given his ownership position in the Company.

Patrick Walsh

Age 36

Since August 2012, Mr. Walsh has been Managing Member and Chief Executive Officer of PW Partners, LLC and PW Partners Atlas Funds, LLC, each the general partner of PW Partners Master Fund LP and PW Partners Atlas Fund LP, respectively. Each of PW Partners Master Fund LP and PW Partners Atlas Fund LP is a value-oriented, fundamentally-driven, private investment fund. In addition, since September 2012, Mr. Walsh has served as Managing Member of PW Partners Capital Management LLC, the management company with respect to each of PW Partners Atlas Fund LP and PW Partners Master Fund LP. From December 2011 to August 2012, Mr. Walsh was Managing Partner of PWK Partners, LLC, a value-oriented, private investment firm. From September 2011 to December 2011, Mr. Walsh was engaged in activities relating to the formation of PWK Partners, LLC and its affiliated funds. From March 2008 to September 2011, Mr. Walsh was a Partner at Oak Street Capital Management, LLC, a long-short, value-oriented, private investment management firm. From August 2004 to February 2008, Mr. Walsh was a Vice President in the Real Estate, Gaming, Lodging and Leisure Investment Banking Group of Deutsche Bank Securities, Inc., a subsidiary of Deutsche Bank AG conducting investment banking and securities activities in the United States. Mr. Walsh is a Chartered Financial Analyst. He received a B.S. in accountancy from Boston College.

N/A

Mr. Walsh is a sophisticated investor who has an extensive background in financial analysis, a broad understanding of the operational, financial and strategic issues facing public companies, and significant experience in the restaurant industry through past investments. In light of his education, background and experience, and his significant ownership stake in the Company (9.87% beneficial ownership as of the Record Date), the Board believes that Mr. Walsh would bring the perspective of a professional institutional shareholder to Board discussions, and would provide the Board with a strategic focus on maximizing shareholder value.

Board Nomination Arrangement

On December 21, 2012, we received a letter from a shareholder of ours, PW Partners Atlas Fund LP (the Atlas Fund), proposing that Patrick Walsh be nominated as a candidate for election to the Board at the Annual Meeting. Based upon information received from Mr. Walsh, Atlas Fund and its affiliates beneficially owned 742,486 shares (representing approximately 9.87%) of our outstanding common stock as of the Record Date for the Annual Meeting. Information concerning Mr. Walsh's background is set forth above.

Following a series of discussions that took place between Mr. Walsh, other Atlas Fund advisors and us, our Corporate Governance and Nominating Committee reviewed Mr. Walsh's background and qualifications and deemed him qualified to serve on our Board. The Board considered the Corporate Governance and Nominating Committee's assessment and decided to nominate Mr. Walsh for election to our Board at the Annual Meeting. As a result, on March 1, 2013, we entered into a Nomination Agreement (the "Agreement") with the Atlas Fund LP, Patrick Walsh and certain other affiliates (collectively, the "PW Group"). Pursuant to the Agreement, the Atlas Fund has withdrawn its previously submitted nomination letter and we agreed to include Mr. Walsh in the Company's slate of director nominees for election at the Annual Meeting. If elected, Mr. Walsh will be appointed to serve on the Company's Audit and Strategic Planning Committees.

If Mr. Walsh resigns or is otherwise removed from the Board prior to ten days before the deadline for shareholders to submit director nominations for the Company's 2014 annual shareholders' meeting, we have agreed to work in good faith with the PW Group to appoint a mutually acceptable replacement so long as the PW Group then owns at least 5% of our outstanding stock. Our nomination obligations under the Agreement will cease, and Mr. Walsh (or his replacement) must offer to resign from the Board, if the PW Group ceases to hold at least 5% of our common stock.

The PW Group has agreed to standstill restrictions prohibiting them from owning more than 12.9% of our shares or engaging in various proxy or other solicitation activities. The standstill restrictions do not limit actions that Mr. Walsh (or his replacement) may take acting solely as a director consistent with fiduciary duties. The standstill provisions will continue until the date that is ten days prior to the deadline for shareholders to submit director nominations for our 2014 annual shareholders' meeting (the "Initial Period"), or, if longer, until the earlier of (A) 30 calendar days prior to the date of our 2014 annual shareholders' meeting, and (B) 30 calendar days following the date on which Mr. Walsh (or his replacement) no longer remains a director serving on the Board. However, the PW Group will be permitted, following expiration of the Initial Period and prior to the deadline for shareholders to submit director nominations for our 2014 annual shareholders' meeting, to submit such nominations if Mr. Walsh (or his replacement) resigns from the Board prior to or contemporaneously with such submission and, in such event, the standstill period will terminate immediately.

Each member of the PW Group, on the one hand, and we, on the other hand, have agreed not to make disparaging or unfavorable remarks, comments or criticisms with regard to the other party during the standstill period.

Each member of the PW Group has agreed to use their commercially reasonable efforts to cause their shares to be present for quorum purposes and voted in support of Company-nominated directors at the Annual Meeting and at any other special shareholders' meeting during the standstill period. We have agreed that the number of directors constituting the Board will be fixed at six during the standstill period.

We also agreed to reimburse the PW Group for \$25,000 of its out-of-pocket fees and expenses in connection with the Agreement and matters related to the Annual Meeting.

A copy of the Agreement is filed as Exhibit 10.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission on March 4, 2013. The foregoing description of the Agreement is qualified in its entirety by reference to the full text of the Agreement.

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 six 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 six 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.

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

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 2013 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.

Fees Billed to Company by Its Independent Registered Public Accounting Firm

The following table presents fees for professional audit services and 401(k) audit services, tax services and other services rendered by Grant Thornton LLP during fiscal years 2012 and 2011:

	2012	2011
Audit Fees ⁽¹⁾	\$ 190,000	\$ 190,000
Audit-Related Fees ⁽²⁾	14,000	15,000
Tax Fees ⁽³⁾		5,000
All Other Fees ⁽⁴⁾		
Total Fees	\$ 204,000	\$ 210,000

⁽¹⁾ Audit Fees consist of fees for professional services rendered for the audit of the Company's consolidated annual financial statements and review of the interim consolidated financial statements included in quarterly reports and services that are normally provided in connection with statutory and regulatory filings or engagements.

⁽²⁾ Audit-Related Fees consist principally of assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements but not reported under the caption *Audit Fees* above, including the 401(k) audit.

⁽³⁾ Tax Fees consist of fees for tax compliance, tax advice, and tax planning.

⁽⁴⁾ All Other Fees typically consist of fees for permitted non-audit products and services provided.

The Audit Committee of the Board of Directors has reviewed the services provided by Grant Thornton LLP during fiscal year 2012 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 minimus exceptions permitted under the Sarbanes-Oxley Act of 2002. During fiscal 2012, 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 Chairperson of the Audit Committee. The Chairperson 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 2013. 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.

*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 2013.*

PROPOSAL No. 3 Advisory Vote on Executive Compensation

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, our stockholders 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 vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement.

The compensation of our named executive officers is disclosed in the section entitled "Executive Compensation" below, including the tabular and narrative disclosures set forth in such section under the headings "Executive Compensation Tables" and "Compensation Discussion and Analysis." As discussed in those disclosures, we believe that our compensation policies and decisions are focused on pay-for-performance principles and strongly aligned with our shareholders' interests. Compensation of our named executive officers is designed to enable us to attract, motivate and retain talented and experienced executives to lead our company successfully in a competitive environment.

We are asking our shareholders to indicate their support for the compensation of our named executive officers as described in this proxy statement by casting a non-binding 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. 2013 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission.

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 our named executive officers, as described in this proxy statement.

PROPOSAL No. 4 Advisory Vote on the Frequency of Advisory Votes on Executive Compensation

The Dodd-Frank Act also enables our shareholders to indicate how frequently we should seek an advisory vote on the compensation of our named executive officers, as disclosed pursuant to the SEC's compensation disclosure rules, such as Proposal Three. In particular, we are asking whether the advisory vote should occur every three years, every two years, or every one year.

The optimal frequency of the advisory vote on executive compensation depends on a balancing of the benefits and burdens of more or less frequent votes. Many have expressed a belief that less frequent votes are appropriate as they enable shareholders to focus on a company's overall compensation program design, as opposed to short-term decisions, and provide sufficient time to evaluate how a company's compensation programs drive longer-term performance and the creation of longer-term shareholder value. Many also believe that a less frequent voting cycle will give companies sufficient time to respond thoughtfully to stockholder views and to implement any necessary changes to executive compensation programs and allow shareholders to evaluate the results of these changes before the next shareholder advisory vote.

Others believe more frequent shareholder votes are optimal as they provide shareholders with the opportunity to react promptly to emerging trends in compensation and to provide rapid feedback to companies with respect to their views on the effectiveness and appropriateness of their executive compensation programs. This more frequent feedback would provide boards of directors and compensation committees with the opportunity to evaluate individual compensation decisions each year in light of the shareholder feedback and to better incorporate current shareholder views into companies' compensation programs.

Our Board believes that the most appropriate outcome at this time is to have an annual shareholder advisory vote on compensation, to best enable the Board and the Compensation Committee to understand and incorporate the views of our shareholders in structuring our executive compensation programs. As time progresses the Board may alter this view, but initially the Board is interested in obtaining more frequent feedback from our shareholders to assist in evaluating and structuring the Company's compensation programs.

You may cast your vote on your preferred voting frequency by choosing the option of three years, two years, one year or abstain from voting when you vote on this Proposal.

Vote Required

The option of three years, two years or one year that receives the highest number of votes cast by shareholders will be the frequency for the advisory vote on executive compensation that has been selected by shareholders. As with your vote on Proposal No. 3 above, your vote on this Proposal No. 4 is advisory, and therefore not binding on the Company, the Compensation Committee, or our Board, and the Board may decide that it is in the best interests of our shareholders and the Company to hold an advisory vote on executive

compensation more or less frequently than the option approved by our shareholders. However, our Board and our Compensation Committee value the opinions of our shareholders and we will take our shareholders' preferences into account in making determinations regarding the frequency of the say-on-pay vote.

The Board Recommends that Shareholders Vote For a Frequency of Once Every Year

For Future Advisory Shareholders Votes on Executive Compensation.

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

Principal Occupation, Business Experience for the

Name and Title	Age	Past Five Years and Directorships of Public Companies
John F. Gilbert III Chief Executive Officer	56	See Election of Directors (Proposal One) above.
Christopher O. Donnell President and Chief Operating Officer	53	Christopher O. Donnell has served as the Company's President and Chief Operating Officer since October 2012 and as a member of the Company's Board of Directors since 2008. Mr. O. Donnell has served in several capacities since joining the Company in February 1998, including as Vice President of Teaching and Learning from February 1998 to June 2002, as Senior Vice President of Operations from June 2002 to January 2006, as Executive Vice President of Operations from January 2006 to January 2007, as Chief Operating Officer from January 2007 to September 2008, and as President and Chief Executive Officer from September 2008 to October 2012. Prior to joining the Company, Mr. O. Donnell was Vice President of Product Development for Pencom International, a producer of training products for restaurant and hotel operators. From 1982 to 1987, Mr. O. Donnell was the operating partner in Premier Ventures, a high volume restaurant located in Denver, Colorado.
Diana G. Purcel Chief Financial Officer and Secretary	46	Ms. Purcel has served as Chief Financial Officer and Secretary of the Company since November 19, 2003. Prior to joining the Company, Ms. Purcel served as Vice President and Chief Financial Officer of Paper Warehouse, Inc., a publicly held chain of retail stores specializing in party supplies and paper goods, from 2002 until September 2003. While she was with Paper Warehouse, she also served as its Vice President, Controller and Chief Accounting Officer from 1999 to 2002. Over the course of her career, Ms. Purcel has held financial and accounting positions with Provell, Inc. (formerly Damark International, Inc.) and Target Corporation (formerly Dayton Hudson Corporation). Ms. Purcel is a certified public accountant who spent five years with the firm of Arthur Andersen in the late 1980s and early 1990s.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Certain statements contained in this Proxy Statement include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All forward-looking statements in this Proxy Statement are based on information currently available to us as of the date to which this Proxy Statement pertains, and we assume no obligation to update any forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors may include, among others, those factors listed in Item 1A of our most recent Annual Report on Form 10-K, and elsewhere in our Annual Report on Form 10-K, and our other filings with the Securities and Exchange Commission. The following discussion should be read in conjunction with Selected Financial Data (Item 6 of our Annual Report on Form 10-K) and our financial statements and related footnotes appearing elsewhere in our Annual Report on Form 10-K.

Overview

We operated 188 Famous Dave's restaurants in 34 states and one Canadian province as of December 30, 2012, including 53 company-owned restaurants and 135 franchise-operated restaurants, with an additional 62 franchise restaurants in various stages of development. As of the same date, we employed approximately 3,165 employees, who we refer to as our team members, of which approximately 309 were full-time restaurant managers and Support Center employees. Eight executives participated in the Company's executive compensation plans in fiscal 2012; however, only our Chief Executive Officer, our President and Chief Operating Officer and our Chief Financial Officer are considered named executive officers for purposes of the compensation tables appearing elsewhere in this Proxy Statement.

General Compensation Philosophy

The Compensation Committee of the Board of Directors has direct oversight and responsibility for the Company's executive compensation policies and programs. The Company's executive compensation policies and programs are designed to provide:

competitive levels of compensation that integrate with the Company's annual objectives and long-term goals;

long-term incentives that are aligned with shareholder interests;

a reward system for above-average performance;

recognition for individual initiative and achievements; and

a means for the Company to attract and retain qualified executives.

To that end, it is the view of the Compensation Committee that the total compensation program for executives should consist of the following three elements, all determined by individual and corporate performance:

Base salary compensation;

Annual incentive compensation (cash bonus); and

Stock incentive awards (Performance Shares and Performance Stock Units, and Restricted Stock and Restricted Stock Units).

In addition to the compensation program elements listed above, we have established a Deferred Stock Unit Plan and a Non-Qualified Deferred Compensation Plan in which our executives are entitled to participate. The Compensation Committee believes that the availability of these plans, each of which are discussed below, adds to the attractiveness of the Company's overall compensation program and positively impacts the Company's ability to hire and retain qualified executives.

The Compensation Committee approves, on an annual basis, the competitiveness of our overall executive compensation programs, including the appropriate mix between cash and non-cash compensation as well as annual and long-term incentives. Compensation tally sheets for the named executive officers are prepared and reviewed by the Compensation Committee annually. By affixing dollar amounts to all components of the named executive officers' compensation, including salary, bonus, outstanding equity awards, and performance share grants, tally sheets assist the Compensation Committee in understanding the impact of disparate compensation decisions and are a useful tool to quickly identify potential issues with pay programs.

As set forth in its written charter, the Compensation Committee has access to resources it deems necessary or desirable to accomplish its responsibilities, including the sole authority to retain (with funding provided by the Company) independent experts in the field of executive compensation. The Compensation Committee has the sole authority to retain and to terminate such independent compensation experts, and to approve the fees and other retention terms. During fiscal 2010, 2011 and 2012, the Compensation Committee primarily relied upon internal Company resources to generate information on which to benchmark the Company's compensation practices and engaged Towers Watson and its predecessor, Towers Perrin, respectively, to validate such information prior to making compensation determinations. The methodology used by the Company included but was not limited to analyses of salary survey data and peer company proxy data. Towers Watson does not provide any services to our Company other than those for which it has been retained by the Compensation Committee.

Annual Compensation Plans

The Compensation Committee evaluates the Company's executive compensation structure for our executives on an annual basis to ensure that we are providing a competitive compensation structure. Additionally, the Compensation Committee ensures that our programs continue to be consistent with established policies.

It is currently our objective to compensate our executives through a combination of salary and bonus eligibility within the mid-point to third quartile of the market for similar positions within companies of comparable size, growth and profitability both within and outside of our industry. We believe this objective to be generally consistent with the market for new executive hires. The Compensation Committee continues to evaluate this position in order to remain competitive from a compensation perspective, and will make changes to our compensation programs that it deems desirable and in the best interests of the Company from time to time.

Our Chief Executive Officer does not have direct involvement in the determination of his own compensation, the determination and structure of which is the sole responsibility of the Compensation Committee. However, our Chief Executive Officer has generally provided input to the Compensation Committee regarding executive compensation and participated in the ultimate determination of compensation for the Company's other executives.

Base Salary Compensation

Base salary compensation is determined by the potential impact each position has on the Company, the skills and experiences required by the position, the performance and potential of the incumbent in the position, and competitive market information.

Incentive Compensation

The Compensation Committee believes strongly that the Company's executive incentive compensation arrangements should closely align the interests of management with the interests of our shareholders. With that in mind, the Compensation Committee has established an annual incentive compensation (cash bonus) plan and multi-year stock incentive awards (discussed below) that reward executives based on the Company achieving pre-determined Company performance targets. With respect to the annual cash bonus plan, actual payouts to executives are determined by the extent to which these performance targets are achieved for the applicable year. With respect to stock incentive awards, actual payouts are determined by the extent to which the cumulative total of annual targets are achieved over a three year performance period. The Compensation Committee believes that these incentive compensation plans, taken together, encourage participants to focus their efforts on achieving both near and longer-term Company goals.

The Compensation Committee believes that incentive compensation should represent an inducement for performance that meets or exceeds challenging targets. This belief is evidenced by the fact that management's annual bonus and/or stock incentive award payouts over the past three years have ranged from 0% to 103% of the target amounts established by the Board of Directors. Actual percentage payout of annual cash bonus and stock incentive awards over the last three years is set forth below in this Compensation Discussion and Analysis. The Board of Directors intends to challenge the Company's management by continuing to set aggressive, yet achievable, targets that also provide an appropriate return for the Company's shareholders.

The Compensation Committee routinely reviews the structure of its incentive compensation plans in an attempt to ensure that incentives remain aligned with the Company's current goals, and makes revisions to the plans when it deems appropriate.

Annual Incentive Compensation (Cash Bonus) Plan

Under the Company's Annual Incentive Compensation (Bonus) Plan, a target annual cash bonus amount is calculated for each executive as a percentage of his or her annual base salary, and the applicable percentage is based on competitive market information for similar positions and experience. Currently, the target bonus amount as a percentage of annual base salary is 100% for Mr. Gilbert, our Chief Executive Officer, and 75% for each of Mr. O'Donnell and Ms. Purcel, who serve as President and Chief Operating Officer and Chief Financial Officer, respectively. The target bonus amount for Mr. O'Donnell during fiscal 2010, 2011 and 2012 (the periods during which he served as Chief Executive Officer) was 100% of his annual base salary. The Compensation Committee utilized external survey data in determining target bonus amount for fiscal 2010, 2011 and 2012. The published survey data considered by the Compensation Committee for fiscal 2012 came from four sources: Hay Information Services Chain Restaurant Compensation Survey; HCE Chain Restaurant Compensation and Select Restaurant Custom Surveys; Towers Watson's Industry Report on Top Management Compensation; and People Report's Corporate Compensation and Benefits Survey. The 11 publicly traded peer companies that were included in the Compensation Committee's analysis for fiscal 2012 are listed below:

Ark Restaurants Corp.	Caribou Coffee Company Inc.	P.F. Chang's China Bistro Inc.
BJ's restaurants Inc.	The Cheesecake Factory Inc.	Red Robin Gourmet Burgers, Inc.
Buffalo Wild Wings, Inc.	J. Alexander's Corp.	Texas Roadhouse
California Pizza Kitchen Inc.	O'Charley's Inc.	

In evaluating bonus amounts for fiscal 2013, the Compensation Committee utilized the same external survey data but elected to change the peer companies that were included in its analysis because several of the companies previously included had either gone private or had revenue outside of an identified comparative range of 50-300% of the Company's system-wide revenue during the most recently completed year. The 14 publicly traded peer companies that were included in the Compensation Committee's analysis for fiscal 2013 are listed below:

AFC Enterprises, Inc.	Einstein Noah Restaurant Group, Inc.	Red Robin Gourmet Burgers, Inc.
Biglari Holdings, Inc.	Frisch's Restaurants, Inc.	Ruby Tuesday, Inc.
CEC Entertainment Inc.	Jamba, Inc.	Ruth's Hospitality Group, Inc.
Caribou Coffee Company Inc.	Krispy Kreme Doughnuts, Inc.	Texas Roadhouse
Cosi Inc.	Luby's, Inc.	

Bonus payments for each of fiscal 2010 and 2011 were conditioned on the Company achieving at least a minimum EPS threshold equal to 80% of an earnings per share (EPS) target established by the Board of Directors. If the minimum threshold was satisfied, then the amount of bonus payout was determined based on the extent to which the Company exceeded that threshold. The bonus payout amounts were calculated using linear scales representing a payout of between 50% and 100% of the amount of executives' target bonus amount if the Company achieved between 80% and 100% of the EPS target, and representing a payout of between 100% and 200% of the amount of executives' target bonus amount if the Company achieved between 100% and 150% of the EPS target, as illustrated below:

% of Performance Target Achieved*