

LUBYS INC
Form DEF 14A
December 15, 2017

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

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

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

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Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Luby's, Inc.
13111 Northwest Freeway
Suite 600
Houston, Texas 77040
713-329-6800
www.lubysinc.com

December 15, 2017

Dear Fellow Shareholder:

It is my pleasure to invite you to attend the Annual Meeting of Shareholders of Luby's, Inc. to be held on Friday, February 9, 2018, at 10:00 a.m., Houston time, at 13111 Northwest Freeway, 3rd Floor, Houston, Texas 77040. All record holders of outstanding shares of Luby's, Inc. common stock at the close of business on December 13, 2017 are eligible to vote on matters brought before this meeting.

Matters on which action will be taken at the meeting are explained in detail in the attached Notice and Proxy Statement. Please review the following Proxy Statement carefully. Your vote is important, so be sure to vote your shares as soon as possible. Please review the enclosed Proxy Statement for specific voting instructions.

Please note that if you hold your shares through a bank or broker and you do not indicate on your proxy card your preferences with respect to the election of directors, your bank or broker is not permitted to cast your vote on your behalf.

Thank you for your support.

Sincerely,

/s/ CHRISTOPHER J. PAPPAS
Christopher J. Pappas
President and Chief Executive Officer

LUBY'S, INC.

13111 Northwest Freeway, Suite 600
Houston, Texas 77040

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD
February 9, 2018

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of Luby's, Inc., a Delaware corporation (the "Company") have called the 2018 Annual Meeting of Shareholders (the "Annual Meeting") of the Company, which will be held at 13111 Northwest Freeway, 3rd Floor, Houston, Texas 77040, on Friday, February 9, 2018, at 10:00 a.m., Houston time, for the following purposes:

- (1) To elect ten directors to serve until the 2019 Annual Meeting of Shareholders;
- (2) To ratify the appointment by the Board of Grant Thornton LLP as the Company's independent registered public accounting firm for the fiscal year ending August 29, 2018;
- (3) To conduct an advisory vote approving the compensation of the Company's Named Executive Officers;
- (4) To conduct an advisory vote on the frequency of future advisory votes on the compensation of the Company's named executive officers;
To approve Amendment No. 1 to the Second Amended and Restated Nonemployee Director Stock Plan (the "Plan")
- (5) to: (a) increase the maximum number of shares of common stock that may be issued in connection with awards granted under the Plan from 1,100,000 to 2,100,000, and (b) extend the term of the Plan through February 9, 2028;
- (6) To act on the shareholder proposal described in this Proxy Statement; and
- (7) To act upon such other matters as may properly come before the meeting or any adjournment or postponement thereof.

The Board has determined that shareholders of record at the close of business on December 13, 2017, will be entitled to vote at the Annual Meeting.

A complete list of shareholders entitled to vote at the Annual Meeting will be on file at the Company's corporate office at 13111 Northwest Freeway, Suite 600, Houston, Texas, for a period of ten days prior to the Annual Meeting. During such time, the list will be open to the examination of any shareholder during ordinary business hours for any purpose germane to the Annual Meeting.

Your vote is important. You may vote in any one of the following ways:

- ☑ Use the toll-free telephone number 1-800-690-6903 from the U.S. or Canada;
- ☑ Use the Internet website www.proxyvote.com; or
- ☑ Mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope.

Shareholders who do not expect to attend the Annual Meeting in person are urged to review the enclosed proxy for specific voting instructions and to choose the method they prefer for casting their votes.

By Order of the Board of Directors of Luby's, Inc.

/S/ ROY CAMBERG
General Counsel and Secretary

Houston, Texas
December 15, 2017

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS:

The Notice of Annual Meeting of Shareholders, the Proxy Statement for the Annual Meeting, and the Company's Annual Report for the fiscal year ended August 30, 2017 are available electronically at <http://www.lubysinc.com/investors/filings>.

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LUBY'S, INC.

13111 Northwest Freeway, Suite 600
Houston, Texas 77040

PROXY STATEMENT

This Proxy Statement and the accompanying proxy card are being provided to shareholders in connection with the solicitation of proxies by the Board of Directors (the "Board") of Luby's, Inc., a Delaware corporation (the "Company") for use at the Annual Meeting of Shareholders of the Company to be held on Friday, February 9, 2018, or at any adjournment or postponement thereof (the "Annual Meeting"). This Proxy Statement and the accompanying proxy card are first being mailed to shareholders on or about December 15, 2017.

VOTING PROCEDURES

Your Vote is Very Important

Whether or not you plan to attend the Annual Meeting, please take the time to vote your shares as soon as possible.

Shares Outstanding, Voting Rights, and Quorum

Only record holders of the Company's common stock, par value \$0.32 per share ("Common Stock") at the close of business on December 13, 2017, will be entitled to vote at the Annual Meeting or at adjournments or postponements thereof. There were 29,316,771 shares of the Common Stock outstanding as of December 13, 2017. Each share of Common Stock outstanding is entitled to one vote. The presence in person or by proxy of the holders of a majority of the shares of Common Stock outstanding on the record date will constitute a quorum at the Annual Meeting.

Methods of Voting

Shares Held in Shareholder's Name. If your shares are held in your name, you may vote by proxy or you may vote in person by attending the Annual Meeting. If your shares are held in your name and you would like to vote your shares by proxy prior to the Annual Meeting, there are three ways for you to vote:

1. Call 1-800-690-6903 (toll charges may apply for calls made from outside the United States) and follow the instructions provided;
2. Log on through the Internet at www.proxyvote.com and follow the instructions at that site; or
3. If you received a proxy card in the mail, complete, sign, and mail the proxy card in the return envelope provided to you.

Please note that telephone and Internet voting will close at 11:59 p.m. Eastern time on February 8, 2018. If you wish to vote by telephone or Internet, follow the instructions on your proxy card.

If your proxy card is signed and returned without specifying choices, the shares represented will be voted as recommended by the Board.

Shares Held in "Street Name" Through a Bank or Broker. If your shares are held through a bank or broker, you can vote via the Internet or by telephone if your bank or broker offers these options. Please see the voting instructions provided by your bank or broker for use in instructing your bank or broker how to vote. Your bank or broker cannot vote your shares without instructions from you. You will not be able to vote in person at the Annual Meeting unless you obtain a signed proxy from the record holder giving you the right to vote the shares.

If you plan to attend the Annual Meeting and wish to vote in person, you will be given a ballot at the Annual Meeting. Please note that you may vote by proxy prior to February 9, 2018 and still attend the Annual Meeting.

Revoking Your Proxy

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Shares Held in Shareholder's Name. If your shares are held in your name, whether you vote by mail, the Internet, or by telephone, you may later revoke your proxy by delivering a written statement to that effect to the Secretary of the Company at the address provided above prior to the date of the Annual Meeting, by a later-dated electronic vote via

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the Internet, by telephone, by submitting a properly signed proxy with a later date, or by voting in person at the Annual Meeting.

Shares Held in “Street Name” Through a Bank or Broker. If you hold your shares through a bank or broker, the methods available to you to revoke your proxy are determined by your bank or broker, so please see the instructions provided by your bank or broker.

Vote Required

A majority of the votes cast by the shares present in person or represented by proxy at the Annual Meeting and entitled to vote in the election of directors at the Annual Meeting is required for the election of a director nominee. Shareholders do not have cumulative voting rights. Ratification of the appointment of Grant Thornton LLP as the Company’s independent registered public accounting firm, the approval of the compensation of our Named Executive Officers (as defined in “Compensation Discussion and Analysis-Compensation Tables and Information-Summary Compensation Table”) on a non-binding basis and the approval of Amendment No. 1 to the Plan each require the affirmative vote of a majority of the votes cast by the shares present in person or represented by proxy and entitled to vote on each such matter at the Annual Meeting. With respect to the advisory vote on the frequency of future advisory votes on the compensation of our named executive officers, the frequency option that receives the highest number of votes cast will be considered the preferred frequency. Approval of all other matters requires the affirmative vote of a majority of the votes cast by the shares present in person or represented by proxy and entitled to vote on such matter at the Annual Meeting. Abstentions and broker non-votes will be included in determining the presence of a quorum at the Annual Meeting. However, abstentions and broker non-votes will not be included in determining the number of votes cast on any matter, provided, that, in accordance with the rules of the New York Stock Exchange (the “NYSE”), abstentions will be counted as “votes cast” for the purpose of the approval of Amendment No. 1 to the Plan, giving them the effect of votes against the approval of this proposal.

A “broker non-vote” occurs when you fail to provide your bank or broker with voting instructions at least ten days before the Annual Meeting and the bank or broker does not have the discretionary authority to vote your shares in the election of directors or on a particular proposal because the proposal is not a “routine” matter under applicable rules. Under the rules of the NYSE, the election of directors and the advisory votes on executive compensation are not considered to be routine matters. Accordingly, if you hold your shares through a bank or broker and you do not indicate on your proxy card your preferences with respect to the election of directors or the advisory vote on executive compensation, your bank or broker is not permitted to cast your vote on your behalf on those matters. Under Delaware law, stockholders are not entitled to appraisal or dissenters’ rights with respect to the proposals presented in this Proxy Statement.

Other Business

The Board knows of no other matters that may be presented for shareholder action at the Annual Meeting. If other matters are properly brought before the Annual Meeting, the persons named as proxies on the accompanying proxy card intend to vote the shares represented by them in accordance with their best judgment.

Confidential Voting Policy

It is the Company’s policy that any proxy, ballot, or other voting material that identifies the particular shareholder’s vote and contains the shareholder’s request for confidential treatment will be kept confidential, except in the event of a contested proxy solicitation or as may be required by law. The Company may be informed whether or not a particular shareholder has voted and will have access to any comment written on a proxy, ballot, or other material and to the identity of the commenting shareholder. Under the policy, the inspectors of election at any shareholder meeting will be independent parties unaffiliated with the Company.

OWNERSHIP OF EQUITY SECURITIES IN THE COMPANY

The following table sets forth information concerning the beneficial ownership of Common Stock, as of December 13, 2017, for (a) each director currently serving on the Board, (b) each nominee for election as a director at the Annual Meeting named in this Proxy Statement, (c) each of the officers named in the Summary Compensation Table not listed as a director, and (d) all directors and executive officers as a group. In general, “beneficial ownership” includes those shares a director or executive officer has the power to vote or transfer and shares that the director or executive officer has the right to acquire within 60 days after December 13, 2017.

Name ⁽¹⁾	Shares Beneficially Owned	Percent of Common Stock
Gerald W. Bodzy ⁽²⁾	27,278	*
Judith B. Craven ⁽³⁾	81,645	*
Arthur R. Emerson ⁽⁴⁾	84,396	*
K. Scott Gray ⁽⁵⁾	315,394	1.05%
Jill Griffin ⁽⁶⁾	77,988	*
Frank Markantonis ⁽⁷⁾	164,066	*
Joe C. McKinney ⁽⁸⁾	135,166	*
Gasper Mir, III ⁽⁹⁾	115,100	*
Christopher J. Pappas ⁽¹⁰⁾	5,637,970	18.79 %
Harris J. Pappas ⁽¹¹⁾	5,416,252	18.05 %
Peter Tropoli ⁽¹²⁾	362,832	1.21%
All directors and executive officers of the Company, as a group (11 persons) ⁽¹³⁾	11,350,890	37.84 %

* Represents beneficial ownership of less than one percent of the shares of Common Stock issued and outstanding on December 13, 2017.

Except as indicated in these notes and subject to applicable community property laws, each person named in the table owns directly the number of shares indicated and has the sole power to vote and to dispose of such shares.

Shares of phantom stock held by a nonemployee director convert into an equivalent number of shares of Common Stock when the nonemployee director ceases to be a director of the Company due to resignation, retirement, death, disability, removal, or any other circumstance. The shares of Common Stock payable upon conversion of the phantom stock are included in this table because it is possible for the holder to acquire the shares of Common Stock within 60 days if his or her directorship were to be terminated. Under the Company’s Nonemployee Director Stock Plan, restricted stock awards may become unrestricted when a nonemployee director ceases to be a director of the Company. Unless otherwise specified, the mailing address of each person named in the table is 13111 Northwest Freeway, Suite 600, Houston, Texas 77040.

(1) The 27,278 shares shown for Mr. Bodzy are shares of restricted stock.

(2) The shares shown for Dr. Craven include 51,557 shares held for her benefit in a custodial account, 7,500 shares which she has the right to acquire within 60 days under the Nonemployee Director Stock Plan, 11,469 shares of phantom stock held under the Nonemployee Director Phantom Stock Plan, and 11,119 shares of restricted stock.

(3) The shares shown for Mr. Emerson include 53,951 shares held jointly with his wife in a custodial account, 7,500 shares which he has the right to acquire within 60 days under the Nonemployee Director Stock Plan, 11,826 shares of phantom stock held under the Nonemployee Director Phantom Stock Plan, and 11,119 shares of restricted stock.

(4) The shares shown for Mr. Gray include 69,773 shares held for his benefit in a custodial account and 245,621 shares which he has the right to acquire within 60 days under Luby’s Incentive Stock Plan.

(5)

(6)

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The shares shown for Ms. Griffin include 59,369 shares held for her benefit in a custodial account, 7,500 shares which she has the right to acquire within 60 days under the Nonemployee Director Stock Plan, and 11,119 shares of restricted stock.

The shares shown for Mr. Markantonis include 110,055 shares held for his benefit in a custodial account, 7,500 (7) shares which he has the right to acquire within 60 days under the Nonemployee Director Stock Plan, 3,879 shares of phantom stock held under the Nonemployee Director Phantom Stock Plan, and 42,632 shares of restricted stock.

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The shares shown for Mr. McKinney include 107,650 shares held for his benefit in a custodial account, 7,500 (8) shares which he has the right to acquire within 60 days under the Nonemployee Director Stock Plan, and 20,016 shares of restricted stock.

The shares shown for Mr. Mir include 63,266 shares held for his benefit in a custodial account, 7,500 shares which (9) he has the right to acquire within 60 days under the Nonemployee Director Stock Plan, 2,453 shares of phantom stock held under the Nonemployee Director Phantom Stock Plan, and 41,881 shares of restricted stock.

The shares shown for Christopher J. Pappas include 4,513,273 shares held for his benefit in a custodial account, 57,500 shares which he has the right to acquire within 60 days under Luby's Incentive Stock Plan, and 1,067,197 (10) shares owned by Pappas Restaurants, Inc., as each of Christopher J. Pappas and Harris J. Pappas owns a 50% interest in Pappas Restaurants, Inc. and therefore owns a corresponding beneficial interest in the 1,067,197 shares owned by Pappas Restaurants, Inc.

The shares shown for Harris J. Pappas include 4,236,022 shares held for his benefit in a custodial account, 57,500 shares which he has the right to acquire within 60 days under Luby's Incentive Stock Plan, 55,533 shares of (11) restricted stock, and 1,067,197 shares owned by Pappas Restaurants, Inc., as each of Christopher J. Pappas and Harris J. Pappas owns a 50% interest in Pappas Restaurants, Inc. and therefore owns a corresponding beneficial interest in the 1,067,197 shares owned by Pappas Restaurants, Inc.

The shares shown for Mr. Tropoli include 85,576 shares held for his benefit in a custodial account and 277,256 (12) shares which he has the right to acquire within 60 days under Luby's Incentive Stock Plan.

The shares shown for all directors and executive officers as a group include 9,350,492 shares held in custodial (13) accounts, 682,877 shares which they have the right to acquire within 60 days under the Company's various benefit plans, 220,697 shares of restricted stock, 29,627 shares of phantom stock held by nonemployee directors under the Nonemployee Director Phantom Stock Plan, and 1,067,197 shares owned by Pappas Restaurants, Inc., of which Christopher J. Pappas and Harris J. Pappas each own a 50% interest, as described above.

PRINCIPAL SHAREHOLDERS

The following table sets forth information as to the beneficial ownership of Common Stock by each person or group known by the Company to own beneficially more than 5% of the outstanding shares of Common Stock as of December 13, 2017 and, unless otherwise indicated, is based on disclosures made by the beneficial owners in SEC filings under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"):

Name and Address of Beneficial Owner ⁽¹⁾	Shares Beneficially Owned	Percent of Common Stock
Christopher J. Pappas ⁽²⁾ 13939 Northwest Freeway Houston, Texas 77040	5,637,970	18.79%
Harris J. Pappas ⁽³⁾ 13939 Northwest Freeway Houston, Texas 77040	5,416,252	18.05%
Hodges Capital Management, Inc. ⁽⁴⁾ 2905 Maple Ave. Dallas, Texas 75201	2,832,264	9.44%
Dimensional Fund Advisors LP ⁽⁵⁾ Palisades West, Building One, 6300 Bee Cave Road, Austin, Texas, 78746	2,305,855	7.69%
Bandera Partners LLC ⁽⁶⁾ 50 Broad Street, Suite 1820 New York, New York 10004	1,504,459	5.01%

- (1) Except as indicated in these notes and subject to applicable community property laws, each person named in the table owns directly the number of shares indicated and has the sole power to vote and to dispose of such shares. The shares shown for Christopher J. Pappas include 4,513,273 shares held for his benefit in a custodial account, 57,500 shares which he has the right to acquire within 60 days under Luby's Incentive Stock Plan, and 1,067,197
- (2) shares owned by Pappas Restaurants, Inc. Each of Christopher J. Pappas and Harris J. Pappas owns a 50% interest in Pappas Restaurants, Inc. and therefore owns a corresponding beneficial interest in the 1,067,197 shares owned by Pappas Restaurants, Inc. The shares shown for Harris J. Pappas include 4,236,022 shares held for his benefit in a custodial account, 57,500 shares which he has the right to acquire within 60 days under Luby's Incentive Stock Plan, 55,533 shares of
- (3) restricted stock, and 1,067,197 shares owned by Pappas Restaurants, Inc. Each of Christopher J. Pappas and Harris J. Pappas owns a 50% interest in Pappas Restaurants, Inc. and therefore owns a corresponding beneficial interest in the 1,067,197 shares owned by Pappas Restaurants, Inc. Information based solely on Report for the Calendar Year or Quarter Ended September 30, 2017 on Form 13F-HR dated November 2, 2017 and filed on November 2, 2017 with the SEC by Hodges Capital Management, Inc.
- (4) Hodges Capital Management, Inc. has sole voting authority with respect to 0 shares and has no voting authority with respect to 2,832,264 shares.
- (5) Information based solely on Report for the Calendar Year or Quarter Ended September 30, 2017 on Form 13F-HR dated November 13, 2017 and filed on November 13, 2017 with the SEC by Dimensional Fund Advisors LP. Dimensional Fund Advisors LP has sole voting authority with respect to 2,233,392 shares and has no voting

authority with respect to 72,463 shares.

Information based solely on Report for the Calendar Year or Quarter Ended September 30, 2017 on Form 13F-HR (6) dated November 13, 2017 and filed on November 13, 2017 with the SEC by Bandera Partners LLC. Bandera Partners LLC has shared voting authority with respect to all 1,504,459 shares.

ELECTION OF DIRECTORS (Item 1)