

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

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

CRACKER BARREL OLD COUNTRY STORE, INC.

(Name of Registrant as Specified in Its Charter)

BIGLARI CAPITAL CORP.
THE LION FUND II, L.P.
STEAK N SHAKE OPERATIONS, INC.
SARDAR BIGLARI
PHILIP L. COOLEY

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

(4) Proposed maximum aggregate value of transaction:

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

(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

Item 1: On October 31, 2013, Biglari Capital Corp. issued the following investor presentation:

The slide features a blue background with a white diagonal stripe on the right side. The text is white and reads: "Latest Cracker Barrel Presentation Fails to Dispute Special Dividend".

Latest Cracker Barrel Presentation Fails to Dispute Special Dividend

31 OCTOBER 2013

Board did not dispute the facts underlying Special Dividend proposal

- ❑ The Board's offer to purchase Biglari Capital shares and our proposal for a \$20 per share Special Dividend both result in the same leverage ratio for Cracker Barrel. (Net Debt has declined and management's expectation of earnings has increased.)
- ❑ Board and Biglari Capital only differ on the use of the liquidity (purchase Biglari Capital shares vs. Special Dividend)
- ❑ Proposed leverage ratio in line with peers
- ❑ We believe analysts cited by the Company exhibit lack of understanding between EPS growth and value creation
- ❑ Cracker Barrel does not refute Biglari Capital's rationale for a Special Dividend

Confirmation by Omission

What the Board did NOT address in its supplemental presentation:

- ❑ The Special Dividend proposal results in the same leverage ratio of 2.7x as the February Board offer to purchase Biglari Capital shares
- ❑ The Company's risk profile has improved since the Board offer, as earnings expectations are up and Net Debt is down
- ❑ The pro forma Net Debt position after the proposed Special Dividend would only be higher by **\$43M** compared to the Board's February offer
- ❑ Cracker Barrel's only contention is the fact that we did not exclusively select the Board's cherry-picked peer group.
- ❑ The Board's rebuttal was hair-splitting, diversionary and displayed a total disregard for the facts concerning the Special Dividend.

Board does not dispute that leverage is in line with other restaurant companies

	Net Debt ¹ /LTM EBITDA ²	Real Estate Ownership (%) ³
Bloomin' Brands	3.4	20%
Cheesecake Factory	-0.6	0%
Denny's	2.5	21%
DineEquity	4.1	6%
Darden	2.6	49%
Brinker Intl	1.9	22%
Ignite Restaurant	3.5	0%
Ruby Tuesday	6.5	45%
Texas Roadhouse	-0.3	38%
Mean	2.6	22%
Median	2.6	21%
Cracker Barrel, Pro Forma 2014	2.7	66%

Source: SEC filings

(1) Net Debt = long-term debt – cash and cash equivalents. Pro Forma Net Debt = Long term debt FY13 + debt issued for special dividend – cash and cash equivalents FY13

(2) Earnings before interest, taxes, depreciation and amortization: mid-point of guidance supplied by Cracker Barrel Management.

(3) – Defined as Store Properties owned / (Store properties owned + leased); excludes franchised locations

Peer Group Source: includes companies mentioned as peers in Cracker Barrel's investor presentation dated Oct. 16, 2013

LTM= Last Twelve Months

We believe relatively large real estate holdings stabilize cash flows and provide ability to sustain greater leverage.

The right capital structure is not in dispute

- ❑ We believe that the Board implicitly signaled with its February offer that it agrees with us on the appropriate amount of leverage in the Company's capital structure.
- ❑ The Special Dividend proposal results in the same leverage ratio of 2.7x as the February Board offer to purchase Biglari Capital shares
- ❑ Leverage ratio is in line with peer group.
- ❑ We believe the Cracker Barrel presentation contains false, misleading communications as well as sidesteps our valid arguments. Instead, the presentation is attempting to divert attention from core concerns.

Alarming to find Cracker Barrel cites analysts who exhibit faulty views about value creation

Cracker Barrel cites analysts who appear to exhibit fundamental lack of understanding

—“The dilutive EPS effect from a special dividend contrasts sharply with the accretive EPS effect of a major share repurchase. But there could be additional risk to CBRL’s share price from the \$20 special dividend because we believe that the potential buyout of Mr. Biglari’s stake is already at least partially reflected in CBRL’s stock.”¹

—“Given the current share base, we believe a \$20 per share special dividend would be dilutive to shareholder earnings while substantially increasing leverage and reducing financial flexibility.”²

—Biglari is “requesting 2 board seats and leveraging CBRL’s balance sheet to finance a \$20 special dividend (est. \$480mm). We are hesitant to support either given Biglari Holdings’ (BH-NR) clouded intentions and CBRL’s hard-earned improved balance sheet.”³

(1) Joseph Buckley, BofAMerill Lynch (18-Sep-2013)

(2) Jeffrey Omohundro, Davenport and Company (19-Sep-2013)

(3) Robert M. Derrington, Wunderlich Securities (17-Sep-2013)

Implications of this faulty logic

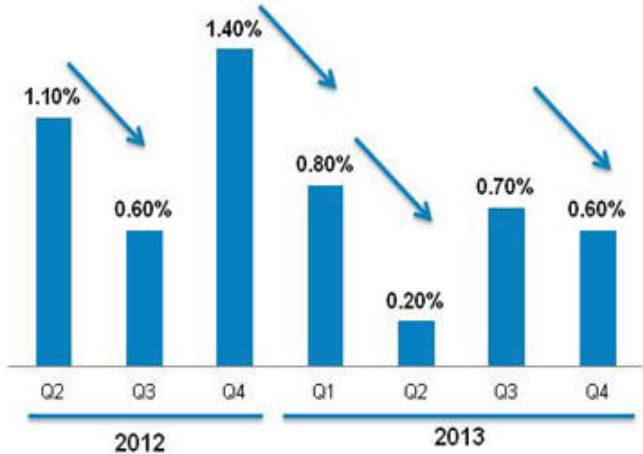
- EPS growth equals shareholder wealth creation
- Share buyback at any price is accretive to EPS and therefore a better alternative
- Carrying debt on the balance sheet is dilutive to earnings per share and therefore inadvisable

- Misguided speculation
- Lack of understanding about how capital structure enhances value
- Failure to comprehend concept of maximizing per share intrinsic value

The Board does not refute the customer traffic data we presented

“The Company has increased customer traffic growth for seven consecutive quarters.”

Cracker Barrel Investor Presentation Addendum
October 29, 2013



Fact
Cracker Barrel has exhibited decelerating customer traffic growth rate in 4 out of the last 7 quarters.

Cracker Barrel fails to defend return on new store investment

- ❑ Cracker Barrel criticizes our focus on return on invested capital for stores opened between 2004 and 2009.
- ❑ Yet the Company has only provided data regarding returns on new store investment for the 2004-2009 timeframe.
- ❑ Cracker Barrel states that from 2010 – 2013, it added fewer than 10 stores per year on average. (But the Company does not disclose performance of these stores.)
- ❑ Our issue is not the number of stores opened per year but the return on investment. Opening 10 stores instead of 20 per year only reduces the magnitude of the error. But it should be clear the decision is still in error.

Vote for Special Dividend proposal

- Vote for a return of your money before the Board squanders it into low-return projects. We believe the Special Dividend enhances the value of your shares.
- The data we have presented supports a Special Dividend.
- Biglari Capital has offered reasonable settlements; Biglari Capital has even agreed to end the proxy contest if the Board would pay a significant Special Dividend.
- The Board has refused any compromise.
- Vote for the \$20 Special Dividend in order to maximize the value of your shares.