

entitled to receive severance comprised of continuing payments of his base salary (i) for a twelve month period following the termination date, if termination occurs prior to the two year anniversary of the commencement of the employment term, or (ii) for a six month period following the termination date or, if less, the remainder of the four year employment term, if termination occurs on or after the two year anniversary of the commencement of the employment term. At its option and in its sole discretion, the Company shall, so long as it continues to make payments of base salary to Mr. Ruiz, have the right to extend the length of the severance period for an additional period of time so long as the entire severance period does not exceed twelve months.

Former Employment Arrangement with Edward H. Rensi

Edward H. Rensi, a member of the Company's Board of Directors since January 2014, was appointed to serve as Chief Executive Officer of the Company on February 10, 2014. Mr. Rensi's employment with the Company was governed by an employment offer letter dated February 10, 2014. Under the employment offer letter, Mr. Rensi received an annualized base salary of \$300,000 in accordance with the Company's standard payroll practices, and was eligible for performance based cash bonuses in the discretion of the Board and the compensation committee. Mr. Rensi was also entitled to reimbursement of travel and housing expenses in the amount of up to \$2,000 per month. As contemplated by the employment offer letter, on February 10, 2014 the Company granted to Mr. Rensi a five-year, 25,000 share stock option award under the Company's Amended and Restated 2005 Stock Incentive Plan with an exercise price equal to \$19.95 per share. The award was immediately vested with respect to 12,500 shares and vested with respect to the remaining 12,500 on February 10, 2015. On January 15, 2015, the Company granted to Mr. Rensi a five-year, 75,000 share stock option award with exercise prices as follows: 25,000 shares at \$28.75; 25,000 shares at \$30.00; and 25,000 shares at \$35.00. This award was scheduled to vest in three equal installments of 25,000 shares each on January 15, 2016, 2017 and 2018 so long as Mr. Rensi remained a director or employee of, or a consultant to, the Company.

Description of Additional Compensation Plans and Practices

Deferred Stock Unit Plan

We maintain an Executive Elective Deferred Stock Unit Plan (the "Deferred Stock Unit Plan"), in which executives can elect to defer all or part of their annual incentive compensation or commissions, or their receipt of any compensation in the form of stock grants under the Company's equity incentive plans or otherwise, for a specified period of time. During 2014 and 2015, no executives elected to defer amounts under the Deferred Stock Unit Plan. To the extent elections are made, the amount of compensation that is deferred is converted into a number of stock units, as determined by the share price of our common stock on the effective date of the election. These units are converted back into a cash amount at the expiration of the deferral period based on the share price of our common stock on the expiration date and paid to the executive in cash in accordance with the payout terms of the plan. Accordingly, we recognize compensation expense throughout the deferral period to the extent that the share price of our common stock increases, and reduce compensation expense throughout the deferral period to the extent that the share price of our common stock decreases.

Deferred Compensation Plan

We maintain a Non-Qualified Deferred Compensation Plan (the "Deferred Compensation Plan") in which employees who are at the "director" level and above are eligible to participate. Participants must complete a deferral election each year and submit it to the Company, prior to the beginning of the fiscal year for which the compensation pertains, indicating the level of compensation (salary, bonus and commissions) they wish to have deferred for the coming year. This deferral election is irrevocable except to the extent permitted by the Deferred Compensation Plan's administrator, and the applicable regulations promulgated by the Internal Revenue Service. For fiscal 2014 and 2015, the Company matched 25.0% of the first 4.0% contributed by participants and paid declared interest rates of 6.0% on balances contributed during fiscal 2014 and 2015. For fiscal 2016, the Company will again match 25% of the first 4.0% contributed by participants and will pay a declared interest rate of 6.0% on contributions. The Board of Directors or the Compensation Committee administers the Deferred Compensation Plan and can change the Company match, interest rate or any other aspects of the plan at any time.

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

The Deferred Compensation Plan assets are kept in an unsecured account that has no trust fund. In the event of bankruptcy, any future payments would have no greater rights than that of an unsecured general creditor of the Company and they confer no legal rights for interest or claim on any assets of the Company. Benefits provided by the Deferred Compensation Plan are not insured by the

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

For the plan year ended December 31, 2015, named executive officers contributed \$1,154 to the Deferred Compensation Plan and the Company provided matching funds and interest of \$5.

Stock Ownership Expectations

In accordance with the desire to better align the long-term objectives of our executives and the Board with our shareholders, our Board has adopted minimum stock ownership guidelines that set forth the levels of ownership expected of Board members and top executives of the Company. Board members are expected to own shares of our common stock equal in value to at least three times their annual Board of Directors compensation. Our Chief Executive Officer is expected to own shares of our common stock and vested options equal in value to at least four times his annual salary, while our Chief Financial Officer is expected to own shares of our common stock and vested options equal in value to at least two times his annual salary. Other Vice Presidents are expected to own shares of our common stock and vested options equal in value to at least their respective annual salaries. For purposes of determining compliance with the minimum stock ownership guidelines, share ownership is defined to include stock owned directly by the director or executive and vested stock options. The Board acknowledges that the value of directors’ and executives’ share ownership will fluctuate based on the market price of our stock and, therefore, deficiencies in share ownership levels may exist from time to time. The Board also acknowledges that newly elected directors and newly hired executives may require a transition period to build share ownership in compliance with the guidelines. Shares owned directly by directors and executives in compliance with the minimum ownership guidelines represent investments in our common stock. Therefore, gains or losses resulting from appreciation or depreciation of these shares are not taken into account when calculating compensation amounts reported in this Proxy Statement.

Other Benefits

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

Tax Deductibility of Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended, places a limit of \$1,000,000 on the amount of compensation that the Company may deduct in any one year with respect to each of its five most highly paid executive officers. There is an exception to the \$1,000,000 limitation for performance-based compensation meeting certain requirements. Incentive compensation, including equity incentive awards, has not generally been structured to meet all of such requirements and, as such, may not be fully deductible.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board of Directors

The size of our Board of Directors is set at eight. We currently have seven members serving as directors, with one vacancy. The following directors, constituting a majority of the Board, are “independent directors” as such term is defined in Rule 5605(a)(2) of the NASDAQ Stock Market’s Marketplace Rules: Joseph M. Jacobs, Jonathan P. Lennon, Richard A. Shapiro, Patrick D. Walsh, and Bryan L. Wolff. The Board of Directors held 15 formal meetings during fiscal 2015 and took action by written consent in lieu of a meeting on 17 occasions.

Currently, the Company has appointed an independent director, Joseph M. Jacobs, as non-executive Chairman of the Company’s Board of Directors, a position he has held since joining the Board in July 2015. The Board separates the Board chair function from that of the Chief Executive Officer, who serves as the Company’s principal executive officer, based on to a belief that separating these functions, and empowering an independent director to chair the Board meetings, will result in increased Board oversight of management activities.

Board of Directors Role in Risk Oversight










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




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

Committees of the Board of Directors

The Company has a standing Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee. During fiscal 2015, each member of the Board of Directors attended at least 75% of the Board meetings and meetings of committees to which they belong during the period in which such member served as a director. Although the Company has no formal policy regarding directors’ attendance at the Company’s annual shareholders meetings, the Company encourages such attendance by members of the Board of Directors. All six of the Company directors serving on the Board of Directors at the time of the Company’s most recent annual shareholders’ meeting, held May 5, 2015, were in attendance at that meeting.

Below is a summary of the Company's board committee structure and current committee membership information.

<u>Director</u>	<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Corporate Governance and Nominating Committee</u>
Anand D. Gala			
Joseph M. Jacobs			
Jonathan P. Lennon			
Richard A. Shapiro			
Patrick D. Walsh			
Bryan L. Wolff 			
Adam J. Wright			

 Chairman
 Member
 Financial Expert

Audit Committee of the Board of Directors

The Company has established a three member Audit Committee within the Board of Directors that currently consists of Chairman Bryan L. Wolff, Jonathan P. Lennon and Patrick D. Walsh. The Audit Committee operates under a written charter adopted by the Board of Directors, a copy of which is available at the Company's website at www.famousdaves.com. The charter reflects the Audit Committee's increased responsibilities as a result of the Sarbanes-Oxley Act of 2002, as well as the NASDAQ Stock Market corporate governance standards. As set forth in the charter, the primary responsibilities of the Audit Committee include: (i) serving as an independent and objective party to monitor the Company's financial reporting process and internal control system; (ii) reviewing and appraising the audit performed by the Company's independent registered public accounting firm; and (iii) providing an open avenue of communication among the independent registered public accounting firm, financial and senior management and the Board of Directors. The charter also requires that the Audit Committee review and pre-approve the performance of all audit and non-audit accounting services to be performed by the Company's independent registered public accounting firm, as well as tax work performed by the Company's tax firm, other than certain de minimus exceptions permitted by Section 202 of the Sarbanes-Oxley Act of 2002.

The Board of Directors has determined that at least one member of the Audit Committee, Bryan L. Wolff, qualifies as an "audit committee financial expert" as that term is defined in Item 407(d)(5) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended. In addition, each member of the Audit Committee is an "independent director," as such term is defined in Rule 5605(a)(2) of the NASDAQ Stock Market's Marketplace Rules, and meets the criteria for independence set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended. The Board of Directors has also determined that each of the Audit Committee members is able to read and understand fundamental financial statements and that at least one member of the Audit Committee has past employment experience in finance or accounting. The Audit Committee held four formal meetings during fiscal 2015.

Report of the Audit Committee

The Company's management has primary responsibility for the Company's internal controls and preparing the Company's consolidated financial statements. The Company's independent registered public accounting firm, Grant Thornton LLP, is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board. The primary function of the Audit Committee is to assist the Board of Directors in its oversight of the Company's financial reporting, internal controls, and audit functions.

The Audit Committee has reviewed the Company's audited consolidated financial statements for the last fiscal year and discussed them with management.

The Audit Committee has discussed with the Company's independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 16, as amended, Communications with Audit Committees (AICPA, Professional Standards, Vol. 1. AU section 380) as Public Company Accounting Oversight Board in Rule 3200T.

The Audit Committee has received and reviewed the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding such firm's communications with the Audit Committee concerning independence, and has discussed with the independent accountants their independence.

The Audit Committee, based on the review and discussions described above, has recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 2016 for filing with the Securities and Exchange Commission.

THE AUDIT COMMITTEE
BRYAN L. WOLFF, Chairman
JONATHAN P. LENNON
PATRICK D. WALSH

Compensation Committee of the Board of Directors

The Company has established a Compensation Committee within the Board of Directors that currently consists of chairman Patrick D. Walsh, Jonathan P. Lennon and Bryan L. Wolff. The Compensation Committee operates under a written charter adopted by the Board of Directors, a copy of which is available at the Company's website at www.famousdaves.com. The Compensation Committee reviews the Company's remuneration policies and practices, makes recommendations to the full Board in connection with all compensation matters affecting the Company and administers the Company's incentive compensation plans. The Compensation Committee of the Board of Directors has direct oversight and responsibility for the Company's executive compensation policies and programs. The Compensation Committee has the authority to obtain advice and assistance from internal or external legal, accounting or other advisors, and has the authority to retain, terminate and approve the fees payable to any external compensation consultant to assist in the evaluation of director, and senior executive compensation. The Compensation Committee assesses the independence of any compensation consultant that it elects to engage.

Compensation Philosophy

Our executive compensation philosophy has been based on adopting compensation programs driven by short- and long-term financial performance metrics designed to ensure management is incented to increase shareholder value over time. The Company's executive compensation policies and programs are designed to provide:

- a means for the Company to attract, motivate, reward and retain qualified executives in a competitive environment;
- competitive levels of compensation that integrate with the Company's annual objectives and long-term goals;
- incentives that promote sustained short- and long-term financial growth and return in order to increase intrinsic value per share;
- a reward system for extraordinary performance that recognizes individual initiative and achievements; and
- a means to optimize performance without encouraging unreasonable risks or incentivizing behavior that would be reasonably likely to result in a material adverse effect on the Company.

The Compensation Committee believes that the total compensation program for executives should consist of the following elements, each determined by individual and corporate performance:

- Base salary compensation; and
- Incentive compensation, both in the form of annual cash bonus and long-term stock-based incentive awards.

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.

Compensation Procedures

Our 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. As set forth in its

written charter, our Compensation Committee has access to resources it deems appropriate to accomplish its responsibilities, including the sole authority to retain (with funding provided by the Company) legal counsel and experts in the field of executive compensation after taking into consideration the independence related factors required under applicable Nasdaq listing standards. The Compensation Committee has the sole authority to retain and to terminate such advisors, and to approve the fees and other retention terms. During fiscal 2015, the Compensation Committee primarily relied upon internal Company resources to generate information on which to benchmark the Company's compensation practices.

Generally, our Chief Executive Officer has provided input to our Compensation Committee regarding executive compensation and participated in the ultimate determination of compensation for the Company's other executives. However, 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.

The Compensation Committee held three meetings during fiscal 2015 and took action by written consent in lieu of a meeting on five occasions.

Corporate Governance and Nominating Committee of the Board of Directors

The Company has established a Corporate Governance and Nominating Committee within the Board of Directors that consists of Chairman Bryan L. Wolff and Jonathan P. Lennon. Messrs. Wolff and Lennon satisfy the independence requirements of the NASDAQ Stock Marketplace Rules. The Corporate Governance and Nominating Committee operates under a written charter adopted by the Board of Directors, a copy of which is available at the Company's website at www.famousdaves.com. The primary role of the Corporate Governance and Nominating Committee is to consider and make recommendations to the full Board of Directors concerning the appropriate size, function and needs of the Board, including establishing criteria for Board membership and considering, recruiting and recommending candidates (including those recommended by shareholders) to fill new Board positions. The Corporate Governance and Nominating Committee also considers and advises the full Board on matters of corporate governance and monitors and recommends the functions of, and membership on, the various committees of the Board.

The Corporate Governance and Nominating Committee (or a subcommittee thereof) recruits and considers director candidates and presents all qualified candidates to the full Board for consideration. Qualified candidates will be considered without regard to race, color, religion, sex, ancestry, national origin, disability, marital or veteran status, or any other legally protected status.

In identifying and evaluating potential candidates to be nominees for directors, the Corporate Governance and Nominating Committee has the flexibility to consider such factors as it deems appropriate under relevant circumstances. These factors may include education, general business and industry experience, ability to act on behalf of shareholders and build long term shareholder value, potential concerns regarding independence or conflicts of interest and other factors relevant in evaluating Board nominees. The Corporate Governance and Nominating Committee believes that a Board comprised of directors with diverse skills and experiences relevant to the Company's industry will result in efficient and competent oversight of the Company's various core competencies, which include restaurant operations, franchise operations, real estate, marketing and financial and accounting. As such, the Corporate Governance and Nominating Committee considers the interplay of a director candidate's experience with that of other members of the Board of Directors.

If the Corporate Governance and Nominating Committee approves a candidate for further review following an initial screening, the Corporate Governance and Nominating Committee will establish an interview process for the candidate. Generally, the candidate will meet with at least a majority of the members of the Corporate Governance and Nominating Committee, along with the Company's Chief Executive Officer. Contemporaneously with the interview process, the Corporate Governance and Nominating Committee will conduct a comprehensive conflicts-of-interest assessment of the candidate. The Corporate Governance and Nominating Committee will consider reports of the interviews and the conflicts-of-interest assessment to determine whether to recommend the candidate to the full Board of Directors. The Corporate Governance and Nominating Committee will also take into consideration the candidate's personal attributes, including, without limitation, personal integrity, loyalty to the Company and concern for its success and welfare, willingness to apply sound and independent business judgment, awareness of a director's vital part in the Company's good corporate citizenship and image, time available for meetings and consultation on Company matters and willingness to assume broad, fiduciary responsibility.

The Corporate Governance and Nominating Committee will consider recommendations by shareholders of candidates for election to the Board of Directors. Any shareholder who wishes that the Corporate Governance and Nominating Committee consider a candidate must follow the procedures set forth in our Bylaws. Under our Bylaws, if a shareholder plans to nominate a person as a director at a meeting, the shareholder is required to place a proposed director's name in nomination by written request delivered to or

mailed and received at our principal executive offices not less than 60 nor more than 120 calendar days prior to the first anniversary of the date on which we first mailed proxy materials for the preceding year's annual meeting. For our 2017 annual shareholders' meeting, notices must be delivered to or mailed and received not prior to November 23, 2016 and not later than January 22, 2017. If the date of our 2017 annual meeting is advanced more than 30 calendar days prior to or delayed by more than 30 calendar days after the anniversary of the Annual Meeting, timely notice by a shareholder may be delivered to or mailed and received at our principal executive offices not later than the close of business on the 10th calendar day following the earlier of the date that we mail notice to our shareholders that the 2017 annual shareholders' meeting will be held or the date on which we issue a press release, filed a periodic report with the Securities and Exchange Commission or otherwise publicly disseminated notice that the 2017 annual shareholders' meeting will be held. To enable the Corporate Governance and Nominating Committee to evaluate the candidate's qualifications, shareholder recommendations must include the following information:

- As to each person the shareholder proposes to nominate for election or reelection as a director:
 - the name, age, business address and residence address of such individual;
 - the class, series and number of any shares of our stock that are beneficially owned or owned of record by such individual;
 - the date such shares were acquired and the investment intent of such acquisition;
 - all other information relating to such individual that is required to be disclosed in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved), or is otherwise required, in each case pursuant to Regulation 14A (or any successor provision) under the Securities Exchange Act of 1934, as amended, and the rules thereunder (the "Exchange Act") (including such individual's written consent to being named in the proxy statement as a nominee and to serving as a director if elected);
 - all information with respect to such individual that would be required to be set forth in a shareholder's notice pursuant to Section 4.3 of our Bylaws if such proposed individual were a Nominating Person (as such term is defined in our Bylaws and summarized below); and
 - a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among the proposed nominee, his or her respective affiliates and associates and any other persons with whom the proposed nominee (or any of his or her respective affiliates and associates) is "Acting in Concert" (as such term is defined in our Bylaws), on the one hand, and any Nominating Person, on the other hand;
- As to each "Nominating Person" (which our Bylaws define as the nominating shareholder, the beneficial owner(s), if different, on whose behalf the notice of proposed nomination is made, any affiliate or associate of such shareholder or beneficial owner(s), and any other person with whom such shareholder or beneficial owner (or any of their respective affiliates or associates) is Acting in Concert):
 - the class, series and number of all shares of our stock which are, directly or indirectly, owned of record or beneficially owned by such Nominating Persons;
 - the full notional amount of any Synthetic Equity Position (as such term is defined in our Bylaws);
 - any Short Interests (as such term is defined in our Bylaws); and
 - any Performance-Related Fees (as such term is defined in our Bylaws);
- The name and address of such Nominating Person, as they appear on our stock ledger;
- To the extent known by the nominating shareholder or any other Nominating Person, the name and address of any other shareholder supporting the nominee for election or reelection as a director or the proposal of other business on the date of such shareholder's notice; and
- Any other information relating to such Nominating Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Nominating Person in support of the nominees proposed to be nominated for election or reelection as a director at the meeting pursuant to Section 14(a) of the Exchange Act.

The above description is only a summary of the procedures required to be followed by shareholders who wish nominate a proposed director candidate for election to our Board. Please refer to our Bylaws for a complete description of such procedures.

The Corporate Governance and Nominating Committee held two meetings during fiscal 2015.

Corporate Governance, Ethics and Business Conduct

The Company's Board of Directors firmly believes that the commitment to sound corporate governance practices is essential to obtaining and retaining the trust of investors, team members, guests and suppliers. The Company's corporate governance practices reflect the requirements of applicable securities laws, including the Sarbanes-Oxley Act of 2002, the NASDAQ Stock Market listing requirements and the Company's own vision of good governance practices. As part of its adherence to these corporate governance practices, the Company has adopted the Famous Dave's of America, Inc. Corporate Governance Principles and Practices.

The Company is committed to conducting business lawfully and ethically. All of its employees, including its Chief Executive Officer and other executives are required to act at all times with honesty and integrity. The Company's Code of Ethics and Business Conduct covers areas of professional conduct, including workplace behavior, conflicts of interest, fair dealing with competitors, guests and vendors, the protection of Company assets, trading in Company securities and confidentiality, among others. The Code of Ethics and Business Conduct requires strict adherence to all laws and regulations applicable to our business and also describes the means by which any employee can provide an anonymous report of an actual or apparent violation of our Code of Ethics and Business Conduct. In addition to the Code of Ethics and Business Conduct, the Company has adopted a separate Code of Ethics specifically applicable to the Company's Chief Executive Officer, Chief Financial Officer, and Key Financial and Accounting Management.

The full text of the Famous Dave's of America, Inc. Corporate Governance Principles and Practices, the Code of Ethics and Business Conduct and the Code of Ethics specifically applicable to the Company's Chief Executive Officer, Chief Financial Officer and Key Financial and Accounting Management are each available online at www.famousdaves.com (click on Investors, Corporate Governance, Code of Ethics and Business Conduct Policy, or Code of Ethics specific to CEO, CFO, and Key Financial & Accounting Management, as applicable).

Ability of Shareholders to Communicate with the Company's Board of Directors

The Company's Board of Directors has established several means for shareholders and others to communicate with the Company's Board of Directors. If a shareholder has a concern regarding the Company's financial statements, accounting practices or internal controls, the concern should be submitted in writing to the chairman of the Company's Audit Committee in care of the Company's Secretary at the Company's headquarters address. If the concern relates to the Company's governance practices, business ethics or corporate conduct, the concern should be submitted in writing to the chairman of the Corporate Governance and Nominating Committee in care of the Company's Secretary at the Company's headquarters address. If a shareholder wishes to provide input with respect to the Company's executive compensation policies and programs, input should be submitted in writing to the chairman of the Company's Compensation Committee in care of the Company's Secretary at the Company's headquarters address or by email address to compensationcommittee@famousdaves.com. If a shareholder is unsure as to which category the concern relates, the shareholder may communicate it to any one of the independent directors in care of the Company's Secretary at the Company's headquarters address. All shareholder communications sent in care of the Company's Secretary will be forwarded promptly to the applicable director(s).

Policies and Procedures for the Consideration and Determination of Director Compensation

Each year, the Corporate Governance and Nominating Committee reviews the Board's compensation in relation to other companies nationwide and recommends any changes in Board compensation to the full Board of Directors for approval. As needed, the Compensation Committee will also review and make recommendations to the Board. The Compensation Committee also approves any grants of equity incentives to directors under the Company's equity incentive plans.

Director Compensation

Non-employee Board members earned a cash retainer for their service on the Board during fiscal 2015. For approximately the first seven months of 2015, the annual retainer was set at \$60,000 (or pro rata portion thereof for directors who did not serve for the entire year). In addition, the chairman of our Audit Committee earned an additional 10% of such amount in recognition of the additional work associated with that position. On July 15, 2015, the annual retainer paid to non-employee directors was reduced to \$30,000 (or pro rata portion thereof for directors who did not serve for the entire year). In addition, the chairman of our Audit Committee may earn an additional annual compensation of up to \$45,000, as determined by the Compensation Committee, which may be paid in the form of cash or equity incentives, or both.

The following table sets forth information concerning director compensation earned during the fiscal year ended January 3, 2016:

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>Option Awards \$(1)</u>	<u>Total (\$)</u>
Anand D. Gala.....	\$12,500	\$0	\$12,500
Joseph M. Jacobs.....	\$0	\$0	\$0
Jonathan P. Lennon.....	\$35,000	\$0	\$35,000
Richard A. Shapiro.....	\$0	\$0	\$0
Patrick D. Walsh.....	\$35,000	\$0	\$35,000
Bryan L. Wolff.....	\$11,805	\$0	\$11,805
Adam J. Wright (2).....	\$35,000	\$0	\$35,000
*Brett D. Heffes.....	\$38,500	\$0	\$38,500
*David J. Mastrocola.....	\$35,000	\$0	\$35,000
*Edward H. Rensi (2).....	\$0	\$0	\$0

* Former director

- (1) Amounts shown reflect the grant date fair value of stock option awards granted during fiscal 2015, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718.
- (2) Excludes cash compensation and stock option awards granted to employee directors as compensation for serving as employees of the Company.

**VOTING SECURITIES AND
PRINCIPAL HOLDERS THEREOF**

The Company has one class of voting securities outstanding, Common Stock, \$0.01 par value, of which 6,957,628 shares were outstanding as of the close of business on the Record Date. Each share of Common Stock is entitled to one vote on all matters put to a vote of shareholders.

The following table sets forth certain information regarding beneficial ownership of the Company's Common Stock as of the Record Date by (i) each person known by the Company to be the beneficial owner of more than 5% of the outstanding Common Stock, (ii) each director or director nominee, (iii) each named executive officer identified in the Summary Compensation Table, and (iv) all named executive officers and directors as a group. Unless otherwise indicated, the address of each of the following persons is 12701 Whitewater Drive, Suite 200, Minnetonka, Minnesota 55343, and each such person has sole voting and investment power with respect to the shares of Common Stock set forth opposite each of their respective names.

<u>Name and Address of Beneficial Owner</u>	<u>Shares Beneficially Owned</u>	<u>Percentage of Total</u>
<i>Executive Officers:</i>		
Adam J. Wright (Chief Executive Officer and Director)	16,972 (1)	*
Richard A. Pawlowski (Chief Financial Officer).....	29,959 (2)	*
Abelardo Ruiz (Chief Operating Officer)	11,888 (3)	*
Alfredo V. Martel (Chief Marketing Officer)	1,458 (4)	*
<i>Non-Employee Directors:</i>		
Anand D. Gala	0	--
Joseph M. Jacobs	1,332,711 (5)	19.15%
Jonathan P. Lennon.....	923,361 (6)	13.27%
Richard A. Shapiro	10,000	*
Patrick D. Walsh.....	433,752 (7)	6.23%
Bryan L. Wolff.....	20	*
All Directors and Executive Officers as a group (10 people)	2,758,663 (8)	39.38%
<i>Other 5% Beneficial Owners</i>		
Wexford Capital LP	1,332,711 (9)	19.15%
411 West Putnam Avenue, Suite 125 Greenwich, CT 06830		
Pleasant Lake Partners LLC.....	923,361(10)	13.27%
110 Greene Street Suite 604 New York, NY 10012		
Bandera Master Fund L.P.	634,919(11)	9.13%
Broad Street, Suite 1820 New York, New York 10004		
Blue Clay Capital Management, LLC.....	429,521(12)	6.17%
800 Nicollet Mall, Ste. 2870 Minneapolis, MN 55402		
PW Partners Capital Management LLC.....	381,177(13)	5.48%
141 W. Jackson Blvd., Suite 300 Chicago, IL 60604		

* less than 1%

(1) Includes 8,332 shares that Mr. Wright has the right to acquire within 60 days.

(2) Includes 28,000 shares that Mr. Pawlowski has the right to acquire within 60 days.

- (3) Represents 11,888 shares that Mr. Ruiz has the right to acquire within 60 days.
- (4) Includes 1,458 shares that Mr. Martel has the right to acquire within 60 days.
- (5) Represents 1,332,711 shares held by Debelo Investors LLC, Wexford Focused Investors LLC, and Wexford Spectrum Investors LLC (collectively, the “Purchasing Entities”). Mr. Jacobs disclaims beneficial ownership of the shares held by the Purchasing Entities except to the extent of his actual pecuniary interest therein. See Note 9 below.
- (6) Represents 923,361 shares held for the accounts of Pleasant Lake Offshore Master Fund L.P. and Pleasant Lake Co-Invest I LLC. See note 10 below.
- (7) Includes 52,575 shares owned directly by Patrick D. Walsh and 381,177 shares owned by PW Partners Atlas Fund LP. See Note 13 below.
- (8) Without duplication of shares beneficially owned by more than one director or officer. Includes 48,220 shares that such individuals have the right to acquire within 60 days.
- (9) Based upon joint statements on Schedule 13D filed with the SEC on June 22, 2015. Includes 29,785 shares that are directly owned by Debelo Investors LLC (“DI”), 61,973 shares that are directly owned by Wexford Focused Investors LLC (“WFI”), and 1,240,953 shares that are directly owned by Wexford Spectrum Investors LLC (“WSI”, and together with DI and WFI, the “Purchasing Entities”). Wexford Capital LP (“Wexford Capital”) may, by reason of its status as manager of the Purchasing Entities, be deemed to own beneficially the securities of which the Purchasing Entities possess beneficial ownership. Wexford GP LLC (“Wexford GP”) may, as the General Partner of Wexford Capital, be deemed to own beneficially the securities of which the Purchasing Entities possess beneficial ownership. Each of Charles E. Davidson (“Davidson”) and Joseph M. Jacobs (“Jacobs”) may, by reason of his status as a controlling person of Wexford GP, be deemed to own beneficially the securities of which the Purchasing Entities possess beneficial ownership. Each of Wexford Capital, Wexford GP, Davidson and Jacobs shares the power to vote and to dispose of the securities beneficially owned by the Purchasing Entities. Each of Wexford Capital, Wexford GP, Davidson and Jacobs disclaims beneficial ownership of the securities owned by the Purchasing Entities and the joint statements on Schedule 13D are not an admission that they are the beneficial owners of such securities except, in the case of Davidson and Jacobs, to the extent of their personal ownership interests in any of the members of the Purchasing Entities.
- (10) Based upon joint Statement of Changes in Beneficial Ownership on Form 4 filed with the SEC on June 17, 2014. Shares reported represent 548,555 shares held for the account of Pleasant Lake Offshore Master Fund L.P. (the “Master Fund”) and 374,806 shares held for the account of Pleasant Lake Co-Invest I LLC (“Co-Invest I”). Pleasant Lake Partners LLC (“PLP”) serves as the investment manager of the Master Fund and as manager of Co-Invest I. Pleasant Lake Onshore GP LLC (“GP LLC”) serves as General Partner of the Master Fund and as Managing Member of Co-Invest I. PLP MM LLC is the managing member of PLP. Jonathan Lennon serves as manager of PLP MM LLC and GP LLC. Each of the reporting persons disclaims beneficial ownership of the shares reported herein except to the extent of its or his pecuniary interest therein, and the filing of the above referenced Form 4 shall not be construed as an admission that any of the reporting persons is the beneficial owner of any such shares for purposes of Section 16(a) of the Securities Exchange Act of 1934 or for any other purpose.
- (11) Based upon a statement on Schedule 13D/A filed with the SEC on February 29, 2016. Bandera Partners LLC (“Bandera Partners”) is the investment manager of Bandera Master Fund L.P. (“Bandera Master Fund”). Bandera Master Fund has granted to Bandera Partners the sole and exclusive authority to vote and dispose of the shares held directly by Bandera Master Fund. Each of Gregory Bylinsky and Jefferson Gramm are Managing Partners, Managing Directors and Portfolio Managers of Bandera Partners. By virtue of these relationships, each of Bandera Partners and Messrs. Bylinsky and Gramm may be deemed to beneficially own the shares owned directly by Bandera Master Fund.
- (12) Based upon a statement on Schedule 13D/A filed with the SEC on December 28, 2015. Blue Clay Capital Management, LLC (“Blue Clay Capital”) is the investment manager for certain private funds (together, the “Funds”). Each of Gary Kohler and Brian Durst, through their roles at Blue Clay Capital, exercises investment discretion over the Funds and has shared power to vote and dispose of these shares.
- (13) Based upon joint statements on Schedule 13D filed with the SEC on June 13, 2014. Includes 381,177 shares owned directly by PW Partners Atlas Fund LP (“Atlas Fund”) and 52,575 shares beneficially held directly by Patrick Walsh. Mr. Walsh serves as the Managing Member of PW Partners Capital Management LLC (“PW Capital Management”) and the Managing Member and Chief Executive Officer of PW Partners Atlas Funds, LLC (“Atlas Fund GP”) and PW Partners, LLC (“Master Fund GP”). PW Capital Management serves as the investment manager of Atlas Fund. Atlas Fund GP serves as the general partner of Atlas Fund. Atlas Fund and Atlas Fund GP share voting and dispositive power over 381,177 shares; and Mr. Walsh and PW Capital Management share voting and dispositive power over 381,177 shares. The 381,177 shares owned directly by Atlas Fund are held in margin accounts.

Based on information provided to the Company by its directors, director nominees and executive officers, except as disclosed in footnote (13) to the beneficial ownership table above, no director, director nominee or named executive officer holds shares beneficially owned by him or her in a margin account as collateral for a margin loan, and no shares beneficially owned by the Company's directors and named executive officers have been pledged as collateral for a loan.

CERTAIN TRANSACTIONS

In accordance with our Audit Committee charter, our Audit Committee is responsible for reviewing policies and procedures with respect to related party transactions required to be disclosed pursuant to Item 404(a) of the Securities and Exchange Commission's Regulation S-K (including transactions between the Company and its officers and directors, or affiliates of such officers or directors), and approving the terms and conditions of such related party transactions.

Adam J. Wright currently serves as our Chief Executive Officer and a director of the Company and has been nominated for re-election at the Annual Meeting. Mr. Wright's brother, Michael B. Wright, owns and controls Famous Products, Inc., a corporation that licenses a line of retail products from the Company, including sauces, rubs, marinades and seasonings, pursuant to a licensing agreement with a current term that expires in April 2020 and is subject to renewal options of five years, contingent upon the licensee's attainment of identified minimum product sales levels. The Company received licensing revenue from Famous Products, Inc. under the agreement of approximately \$940,000 for fiscal year 2015. Michael B. Wright also owns DTSG, Inc., a corporation that owns or controls five franchised Famous Dave's restaurants. DTSG, Inc. paid an aggregate of approximately \$678,000 in franchise royalties and contributions to the Company's system-wide marketing fund for fiscal year 2015.

Anand D. Gala currently serves as a director of the Company and has been nominated for re-election at the Annual Meeting. Mr. Gala is the Founder, President and Chief Executive Officer of Gala Holdings International, a diversified holding company that conducts consulting, restaurant development and management operations. As a Company franchisee, Gala Holdings International paid approximately \$2.1 million in franchise royalties and contributions to the Company's system-wide marketing fund for the Company's 2015 fiscal year.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership of such securities with the Securities and Exchange Commission and NASDAQ. Officers, directors and greater than ten percent shareholders are required by Securities and Exchange Commission regulations to furnish the Company with copies of all Section 16(a) forms they file. Based solely on review of the copies of Forms 3 and 4 and amendments thereto furnished to the Company during the fiscal year ended January 3, 2016 and Forms 5 and amendments thereto furnished to the Company with respect to such fiscal year, or written representations that no Forms 5 were required, the Company believes that all of its officers, directors and greater than ten percent beneficial owners complied with all applicable Section 16(a) filing requirements during the fiscal year ended January 3, 2016.

PROPOSALS OF SHAREHOLDERS

Proposals by shareholders (other than director nominations) that are submitted for inclusion in our proxy statement for our 2017 annual shareholders' meeting must follow the procedures set forth in Rule 14a-8 under the Securities Exchange Act of 1934 and our Bylaws. To be timely under Rule 14a-8, a shareholder proposal must be received by our Corporate Secretary at Famous Dave's of America, Inc., 12701 Whitewater Drive, Suite 200, Minnetonka, Minnesota, 55343, by November 23, 2016.

Under our Bylaws, if a shareholder does not submit a proposal for inclusion in our proxy statement but does wish to propose an item of business to be considered at an annual shareholders' meeting (other than director nominations), that shareholder must deliver notice of the proposal at our principal executive offices not less than 60 nor more than 120 calendar days prior to the first anniversary of the date on which we first mailed proxy materials for the preceding year's annual meeting. For our 2017 annual shareholders' meeting, notices must be received not prior to November 23, 2016 and not later than January 22, 2017.

If a shareholder plans to nominate a person as a director at an annual shareholders' meeting, our Bylaws require that the shareholder place a proposed director's name in nomination by written request delivered to or mailed and received at our principal executive offices not less than 60 nor more than 120 calendar days prior to the first anniversary of the date on which we first mailed proxy materials for the preceding year's annual meeting. For our 2017 annual shareholders' meeting, notices must be delivered to or mailed and received not prior to November 23, 2016 and not later than January 22, 2017.

If the date of our 2017 annual shareholders' meeting is advanced more than 30 calendar days prior to or delayed by more than 30 calendar days after the anniversary of the Annual Meeting, timely notice of shareholder proposals and shareholder nominations for directors may be delivered to or mailed and received at our principal executive offices not later than the close of business on the 10th calendar day following the earlier of the date that we mail notice to our shareholders that the 2017 annual shareholders' meeting will be held or the date on which we issue a press release, filed a periodic report with the Securities and Exchange Commission or otherwise publicly disseminated notice that the 2017 annual shareholders' meeting will be held.

Notices of shareholder proposals and shareholder nominations for directors must comply with the informational and other requirements set forth in our By-laws as well as applicable statutes and regulations. Due to the complexity of the respective rights of the shareholders and the Company in this area, any shareholder desiring to propose actions or nominate directors is advised to consult with his or her legal counsel with respect to such rights. The Company suggests that any such proposal be submitted by certified mail return receipt requested.

DISCRETIONARY PROXY VOTING AUTHORITY/ UNTIMELY SHAREHOLDER PROPOSALS

Rule 14a-4(c) promulgated under the Securities and Exchange Act of 1934 governs the Company's use of its discretionary proxy voting authority with respect to a shareholder proposal that the shareholder has not sought to include in the Company's proxy statement. The Rule provides that if a proponent of a proposal fails to notify the Company of the proposal at least 45 days before the date of mailing of the prior year's proxy statement, then the management proxies will be allowed to use their discretionary voting authority when the proposal is raised at the meeting, without any discussion of the matter in the proxy statement.

With respect to the Company's 2017 annual shareholders' meeting, if the Company is not provided notice of a shareholder proposal, which the shareholder has not previously sought to include in the Company's proxy statement, by February 6, 2017, the management proxies will be allowed to use their discretionary authority as outlined above.

SOLICITATION

The Company will bear the cost of preparing, assembling and mailing the Proxy, Proxy Statement, Annual Report and other material which may be sent to the shareholders in connection with this solicitation. Brokerage houses and other custodians, nominees and fiduciaries may be requested to forward soliciting material to the beneficial owners of stock, in which case they may be reimbursed by the Company for their expenses in doing so. Proxies may be solicited personally, by telephone, by telegram or by special letter.

The Board of Directors does not intend to present to the meeting any other matter not referred to above and does not presently know of any matters that may be presented to the meeting by others. However, if other matters come before the meeting, it is the intent of the persons named in the enclosed proxy to vote the proxy in accordance with their best judgment.

By Order of the Board of Directors

/s/ Adam J. Wright

Adam J. Wright
Chief Executive Officer

