

BIGLARI HOLDINGS INC.

Form DEFM14A

April 02, 2018

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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

BIGLARI HOLDINGS INC.

(Name of Registrant as Specified in Its Charter)

(Name of Persons(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(2) Aggregate number of securities to which transaction applies:

(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):

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(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

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BIGLARI HOLDINGS INC.

PROXY STATEMENT/PROSPECTUS

A REORGANIZATION IS PROPOSED YOUR VOTE IS VERY IMPORTANT

To the Shareholders of Biglari Holdings Inc.:

You are cordially invited to attend a special meeting (the **Special Meeting**) of the shareholders of Biglari Holdings Inc. (the **Company**), to be held at The St. Regis Hotel, Two East 55th Street at Fifth Avenue, New York, New York 10022 immediately following our 2018 Annual Meeting of Shareholders (the **Annual Meeting**) on April 26, 2018. The Annual Meeting will begin at 1:00 p.m. Eastern Time (which typically lasts approximately five minutes) followed by the Special Meeting, then a question-and-answer session with shareholders. You are receiving a separate proxy statement for the Annual Meeting, including a separate proxy card to vote on the election of directors.

As previously disclosed on April 28, 2017, the Company's Board of Directors had been considering a number of potential transactions, including the implementation of a dual class structure. At the Special Meeting, you will be asked to consider and vote on a proposal to approve an agreement and plan of merger (as amended and restated, the **Reorganization Agreement**) that would result in the creation of a new public holding company with a dual class structure. We refer to this proposal in the proxy statement/prospectus as the **reorganization/recapitalization proposal**.

We have entered into the Reorganization Agreement with NBHSA Inc. (**New BH**), an Indiana corporation and a direct, wholly owned subsidiary of the Company, and BH Merger Company (**Merger Sub**), an Indiana corporation and a direct, wholly owned subsidiary of New BH. Pursuant to the Reorganization Agreement, Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation and a wholly owned subsidiary of New BH. Upon completion of this merger, New BH will be named **Biglari Holdings Inc.** and replace the Company as the publicly held corporation through which our collection of businesses is conducted. The foregoing transaction is referred to as the **reorganization**.

New BH has two classes of common stock designated Class A common stock and Class B common stock. A share of Class B common stock has economic rights equivalent to 1/5th of a share of Class A common stock, however, Class B common stock has no voting rights.

As a result of the reorganization, the current shareholders of the Company will become shareholders of New BH and will receive, for every ten (10) shares of common stock of the Company they own immediately prior to the effective time of the reorganization, (i) ten (10) shares of Class B common stock of New BH and (ii) one (1) share of Class A common stock of New BH. In other words, shareholders will receive for a share of common stock of the Company (i) one (1) share of Class B common stock of New BH and (ii) 1/10th of one share of Class A common stock of New BH. The foregoing transaction is referred to as the **recapitalization**.

We expect the shares of New BH Class A common stock will trade on the New York Stock Exchange (**NYSE**) under the ticker symbol **BHA**, whereas the New BH Class B common stock is expected to trade on the NYSE under the ticker symbol **BH**, which is the current ticker symbol for the Company common stock. On December 21, 2017, the last trading day before the announcement of the reorganization/recapitalization proposal, the closing price per share of Company common stock was \$421.80. On March 29, 2018, the most recent trading day for which prices were available, the closing price per share of Company common stock was \$408.41.

In addition, at the Special Meeting you will be asked to approve certain features of New BH's organizational documents which differ from the Company's organizational documents. Specifically, we are asking shareholders to approve: (i) the authorized capital of New BH, which is 11,500,000 shares, consisting of

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500,000 shares of Class A common stock, 10,000,000 shares of Class B common stock, and 1,000,000 shares of preferred stock, representing an effective increase in authorized shares, and (ii) New BH being subject to Chapter 42 of the Indiana Business Corporation Law, which relates to control share acquisitions. We refer to these proposals as the organizational documents proposals.

The recapitalization and the organizational documents proposal will provide New BH with the ability to pursue strategic objectives by issuing Class B common stock in connection with future acquisition and financing transactions without decreasing the voting power of our current shareholders.

Adoption of the reorganization/recapitalization proposal and the organizational documents proposals requires the affirmative vote of a majority of all votes entitled to be cast at the Special Meeting. The Chairman and the other directors of the Company collectively beneficially own shares representing 54.8% of the votes entitled to be cast at the Special Meeting, and accordingly have the ability to approve the reorganization/recapitalization and organizational documents proposals without the vote of any other shareholders. Nevertheless, whether or not you plan to attend our Special Meeting, please take the time to vote by completing, signing and mailing the enclosed proxy card in the postage-paid envelope provided or by voting by telephone or via the Internet. Any shareholder attending our Special Meeting may vote in person even if a proxy has been returned.

The accompanying notice of meeting and this proxy statement/prospectus provide specific information about the Special Meeting and explain the reorganization/recapitalization and organizational documents proposals. Please read these materials carefully. **In particular, you should consider the discussion of risk factors beginning on page 15 before voting on the reorganization/recapitalization proposal.**

By order of the Board,

Sardar Biglari

Chairman and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement/prospectus or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated April 2, 2018 and is being first mailed to the Company's shareholders on or about April 2, 2018.

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BIGLARI HOLDINGS INC.

17802 IH 10 WEST, SUITE 400

SAN ANTONIO, TEXAS 78257

NOTICE OF 2018 SPECIAL MEETING OF SHAREHOLDERS

TIME AND DATE	Immediately following our 2018 Annual Meeting of Shareholders which will begin at 1:00 p.m., Eastern Time, April 26, 2018
PLACE	The St. Regis Hotel, Two East 55 th Street at Fifth Avenue, New York, New York 10022
ITEMS OF BUSINESS	<ol style="list-style-type: none">1. To consider and vote upon a proposal, which we refer to as the reorganization/recapitalization proposal, approving the Amended and Restated Agreement and Plan of Merger, dated as of March 5, 2018, which agreement is included in the accompanying proxy statement/prospectus as Annex I;2. To consider and vote upon a proposal to approve the authorized capital of New BH, which is 11,500,000 shares, consisting of 500,000 shares of Class A common stock, 10,000,000 shares of Class B common stock, and 1,000,000 shares of preferred stock;3. To consider and vote upon a proposal to approve New BH being subject to Chapter 42 of the Indiana Business Corporation Law, which relates to control share acquisitions ; and4. To transact any other business that may be properly brought before our meeting or any adjournment or postponement thereof.
RECORD DATE	You can vote if you are a shareholder of record on March 20, 2018.
PROXY VOTING	<p>Your vote is important, regardless of the number of shares you own. If you do not attend the meeting to vote in person, your vote will not be counted unless a proxy representing your shares is presented at the meeting. To ensure that your shares will be voted at the meeting, please vote in one of these ways:</p> <ol style="list-style-type: none">1. Go to www.proxyvote.com shown on your proxy card and vote via the Internet;

2. You may vote by touchtone telephone by calling 1-800-690-6903 (this call is toll-free in the United States); or
3. MARK, SIGN, DATE AND PROMPTLY RETURN your proxy card in the postage-paid envelope.

By order of the Board,

Sardar Biglari

Chairman and Chief Executive Officer

San Antonio, Texas

April 2, 2018

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ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Biglari Holdings Inc., an Indiana corporation, from its Annual Report on Form 10-K for the year ended December 31, 2017, and from other documents that are not included in or being delivered with this proxy statement/prospectus. For a listing of the documents incorporated by reference into this proxy statement/prospectus, see the section entitled *Where You Can Find More Information*. This information is available to you without charge upon your written request. You can obtain the documents incorporated by reference into this document through the U.S. Securities and Exchange Commission (the SEC) website at www.sec.gov or by requesting it in writing from the Company at the following address:

Biglari Holdings Inc.

17802 IH 10 West, Suite 400

San Antonio, Texas 78257

If you would like to request any documents, please do so by April 19, 2018 in order to receive them before the Special Meeting. See *Where You Can Find More Information*.

You should rely only on the information contained or incorporated by reference in this proxy statement/prospectus and the registration statement of which this proxy statement/prospectus is a part to vote on the proposals being presented at the Special Meeting.

IF YOU PLAN TO ATTEND THE SPECIAL MEETING

The Special Meeting is open to all of our shareholders. If you are a shareholder of record and you plan to attend the meeting, you must present a valid picture identification to be admitted to the meeting. If you are a beneficial shareholder (i.e., shares held through a brokerage account) and plan to attend the meeting, you must present valid picture identification and show a valid proof of ownership of shares by presenting any of the following: (1) a copy of a brokerage statement, (2) a legal proxy, (3) a letter from the broker confirming ownership of shares, or (4) an admission ticket which can be obtained by registering in advance of the meeting at www.proxyvote.com/register. Shareholders may bring up to two guests; however, each guest must be registered by the shareholder at www.proxyvote.com/register as well as present valid picture identification along with the admission ticket. If we cannot verify that you own Biglari Holdings shares or are a registered guest, you will not be admitted to the meeting.

Registration will begin at 12:00 p.m., Eastern Time. Cameras, recording devices, and other electronic devices will not be permitted at the Special Meeting.

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BIGLARI HOLDINGS INC.

17802 IH 10 WEST, SUITE 400

SAN ANTONIO, TEXAS 78257

PROXY STATEMENT

SOLICITATION OF PROXIES

FOR

SPECIAL MEETING OF SHAREHOLDERS

In this proxy statement/prospectus, the terms we, us, our and Biglari Holdings refer to Biglari Holdings Inc., the current Indiana holding company, and its consolidated subsidiaries, prior to the completion of the proposed reorganization and recapitalization transaction, and to NBHSA Inc., the new Indiana holding company, and its consolidated subsidiaries, upon and after completion of the proposed reorganization and recapitalization transaction. When the distinction between the two companies is important to the discussion, we use the term New BH to refer to NBHSA Inc. (which will be named Biglari Holdings Inc. following the reorganization and recapitalization transaction) and the Company to refer to Biglari Holdings Inc. prior to the reorganization and recapitalization transaction.

The enclosed proxy is solicited by the Board of Directors of the Company (the Board) for use at a special meeting of shareholders to be held on April 26, 2018, immediately following our 2018 Annual Meeting of Shareholders (the Annual Meeting) which will begin at 1:00 p.m., Eastern Time, at The St. Regis Hotel, Two East 55th Street at Fifth Avenue, New York, New York 10022, and any and all adjournments or postponements thereof (the Special Meeting). This proxy statement/prospectus and form of proxy are being mailed to our shareholders on or about April 2, 2018.

The Board has fixed the close of business on March 20, 2018 as the record date for determining which shareholders have the right to vote at the Special Meeting (the Record Date). As of the Record Date, the Company had outstanding and entitled to vote 2,067,726 shares of common stock. Each share of common stock is entitled to one vote per share on all matters submitted to a vote of shareholders of the Company. Only shareholders of record at the close of business on the Record Date are entitled to vote at the Special Meeting.

The presence at the Special Meeting, in person or by proxy, of the holders of Company common stock holding in the aggregate a majority of the voting power of the Company's stock entitled to vote shall constitute a quorum for the transaction of business.

The affirmative vote of a majority of all votes entitled to be cast at the Special Meeting is required to approve the reorganization/recapitalization and organizational documents proposals.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 26, 2018**

The proxy statement/prospectus and form of proxy card for the Special Meeting are available at www.biglariholdings.com/specialmeeting and www.proxyvote.com.

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QUESTIONS AND ANSWERS ABOUT OUR SPECIAL MEETING

What is the purpose of the Special Meeting?

The purpose of the Special Meeting is to consider and vote upon a proposal, which we refer to as the reorganization/recapitalization proposal, to approve the agreement and plan of merger that will result in the creation of a new public holding company with a dual class structure. In addition, shareholders will vote upon two proposals, which we refer to as the organizational documents proposals, to approve certain features of New BH's organizational documents that differ from the Company's organizational documents.

What is a proxy and how do I vote by proxy?

A proxy is your legal designation of another person (the proxy) to vote on your behalf. If you are a shareholder of record, we encourage you to vote via the Internet or by telephone. Internet voting information is provided on the proxy card. You may vote by touchtone telephone by calling 1-800-690-6903. You will need to have your proxy card available when voting via the Internet or by telephone. These methods are more convenient than voting by proxy card. In addition, when you vote via the Internet or by telephone prior to the meeting date, your vote is recorded immediately and there is no risk that postal delays will cause your vote to arrive late and therefore not be counted.

If you are a shareholder of record, you may vote by marking your proxy card, dating and signing it, and mailing it in the postage-paid envelope. The shares represented will be voted according to your directions. If your proxy card is signed and returned without specifying a vote, it will be voted according to the recommendation of the Board.

If you are a street name holder, you must provide instructions on voting to your broker, bank, trust or other nominee holder.

What is the difference between a shareholder of record and a street name holder?

These terms describe how your shares are held. If your shares are registered directly in your name with our independent transfer agent and registrar, Computershare Trust Company, N.A., you are a shareholder of record. If your shares are held in the name of a brokerage, bank, trust or other nominee as a custodian, you are a street name holder.

How many proxy cards will I receive?

You will receive multiple proxy cards if you hold your shares in different ways (e.g., joint tenancy, trusts and custodial accounts) or in multiple accounts. If your shares are held in street name, you will receive a voting instruction form from your broker, bank, trust or other nominee, and you will return your voting instruction form to such broker, bank, trust or other nominee. You should complete and sign each proxy card or voting instruction form you receive.

Who is qualified to vote?

You are qualified to receive notice of and to vote at the Special Meeting if you own shares of the Company's common stock at the close of business on the Record Date for the Special Meeting. At the close of business on the Record Date, there were 2,067,726 shares of the Company's common stock issued and outstanding.

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How do I vote without attending the Special Meeting?

Depending on whether you hold your shares directly as a shareholder of record or you hold your shares as a street name holder, there are several methods you can choose from to cast your vote.

If you are a shareholder of record, you can vote your proxy in any one of these methods:

1. You may vote via the Internet by going to www.proxyvote.com, as shown on your proxy card;
2. You may vote by touchtone telephone by calling 1-800-690-6903 (this call is toll-free in the United States);
or

3. You may mark, sign, date and promptly return your proxy card in the postage-paid envelope. You will need to have your proxy card available when voting via the Internet or by telephone. Therefore, please follow the specific instructions set forth on the proxy card. If you vote your proxy via the Internet or by telephone, you do not need to return a proxy card.

If you hold your shares as a street name holder, your broker, bank, trust or other nominee will provide you with materials and instructions for voting your shares.

Can I vote my shares in person at the Special Meeting?

If you decide to join us in person at the Special Meeting and you are a shareholder of record, you may vote your shares in person at the meeting. If you hold your shares as a street name holder, you must obtain a proxy from your broker, bank, trust or other nominee giving you the right to vote the shares at the meeting.

Can I change my vote after I have submitted a proxy?

Shareholders that submit a proxy may revoke their proxy or change their vote at any time prior to the Special Meeting by: (1) sending a written revocation to the Secretary of the Company; (2) submitting a new proxy bearing a later date in accordance with the instructions on your proxy card or provided by your broker or bank; or (3) attending the Special Meeting and voting your shares in person. Shareholders who send in proxies but attend the Special Meeting in person may vote directly if they prefer and withdraw their proxies or may allow their proxies to be voted with the similar proxies sent in by other shareholders.

What constitutes a quorum and why is it required?

The presence at the Special Meeting, in person or by proxy, of the holders of Company common stock holding in the aggregate a majority of the voting power of the Company's stock entitled to vote shall constitute a quorum for the transaction of business. A quorum is required in order for our shareholders to conduct business at the Special Meeting.

What is the Board's recommendation on how I should vote my shares?

Our Board recommends a vote **FOR** the reorganization/recapitalization proposal and **FOR** the organizational documents proposals.

How would my shares be voted if I do not specify how I would prefer them to be voted?

If no choice is specified, your proxy will be voted **FOR** the reorganization/recapitalization proposal and **FOR** the organizational documents proposals.

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What vote is required to approve the reorganization/recapitalization proposal and the organizational documents proposals? Also, how are abstentions and broker non-votes treated?

To be approved, the reorganization/recapitalization and organizational documents proposals must receive the affirmative vote of a majority of all votes entitled to be cast at the Special Meeting.

A broker non-vote occurs when a nominee holding shares of common stock for the beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. Brokers that do not receive instructions from the beneficial owners of shares of Company common stock are not entitled to vote on the reorganization/recapitalization proposal or the organizational documents proposals. Abstentions will be considered as present, but not as voting in favor of the reorganization/recapitalization or organizational documents proposals. Accordingly, abstentions and broker non-votes will have the same effect as a vote against the approval of the reorganization/recapitalization and organizational documents proposals.

Who will pay for the cost of this proxy solicitation?

Solicitation of proxies may be made by mail and through telephonic or telegraphic communications to shareholders or their representatives. The cost of preparing, printing and mailing this proxy statement/prospectus and the accompanying form of proxy, and the cost of soliciting proxies related to the Special Meeting, will be borne by the Company. The Company will reimburse brokerage firms, banks, trustees and others for their actual out-of-pocket expenses in forwarding proxy material to the beneficial owners of the Company's common stock.

Where can I find the voting results of the Special Meeting?

We will announce preliminary voting results at the Special Meeting and publish final results on a Form 8-K filed with the SEC within four business days after the Special Meeting.

Is this the Company's annual meeting? Will I be voting on the election of directors at the Special Meeting?

No. This is not the Annual Meeting and you will not be asked to elect directors at the Special Meeting. The Annual Meeting will take place on April 26, 2018 at 1:00 p.m., Eastern Time, immediately prior to the Special Meeting. If you are a shareholder of record as of March 20, 2018, you will receive two proxy cards, one for the Annual Meeting and one for the Special Meeting. It is very important that you return both proxy cards to ensure that your vote is represented at both the Annual Meeting and the Special Meeting. A proxy statement and proxy card for the Annual Meeting will be provided separate from the proxy statement and proxy card for the Special Meeting. Please refer to those separate materials for more information about the Annual Meeting and to vote on the election of directors.

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QUESTIONS AND ANSWERS

ABOUT THE REORGANIZATION AND RECAPITALIZATION

What is the reorganization/recapitalization proposal?

We are asking you to approve an agreement and plan of merger (as amended and restated, the Reorganization Agreement) that would result in the creation of a new public holding company with a dual class structure.

We have entered into the Reorganization Agreement with New BH, a wholly owned subsidiary of the Company, and Merger Sub, a wholly owned subsidiary of New BH. Pursuant to the Reorganization Agreement, Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation and a wholly owned subsidiary of New BH. Upon completion of this merger, New BH will be named Biglari Holdings Inc. and replace the Company as the publicly held corporation through which our collection of businesses is conducted. The foregoing transaction is referred to as the reorganization.

New BH has two classes of common stock designated Class A common stock and Class B common stock. A share of Class B common stock has economic rights equivalent to 1/5th of a share of Class A common stock, however, Class B common stock has no voting rights.

As a result of the reorganization, the current shareholders of the Company will become shareholders of New BH and will receive, for every ten (10) shares of common stock of the Company they own immediately prior to the effective time of the reorganization, ten (10) shares of Class B common stock of New BH and one (1) share of Class A common stock of New BH. In other words, shareholders will receive for a share of common stock of the Company (i) one (1) share of Class B common stock of New BH and (ii) 1/10th of one share of Class A common stock of New BH. The foregoing transaction is referred to as the recapitalization.

The Reorganization Agreement, which sets forth the plan of reorganization and is the legal document that governs the reorganization, is attached as Annex I to this proxy statement/prospectus, and the Articles of Incorporation of New BH and the By-Laws of New BH, which are the primary documents that will govern your rights as shareholders of New BH, are attached as Annex II and Annex III, respectively, to this proxy statement/prospectus. **You are encouraged to read the Reorganization Agreement and the First Amended and Restated Articles of Incorporation (the Articles of Incorporation) and By-Laws of New BH carefully.**

Why are you creating a new holding company?

We are creating a new holding company to:

Implement a dual class structure that will allow the Company to pursue strategic objectives without diluting the voting power of its existing shareholders, including preserving Mr. Biglari's control of the Company; and

Eliminate confusion with the legacy Steak n Shake Company. The current holding company named Biglari Holdings Inc. was previously named The Steak n Shake Company. Biglari Holdings is a holding company engaged in a number of diverse business activities. One of its subsidiaries is Steak n Shake. We believe that the creation of a new public holding company will address confusion among those third parties who have

had a contractual relationship with the entity formerly known as the Steak n Shake company. After the reorganization, those third parties will be doing business with a subsidiary of the new holding company, which operates Steak n Shake. They will not be doing business with Biglari Holdings, the parent company. The independent Directors and the Board took into consideration the following:

The recapitalization could prolong Mr. Biglari's control and have an anti-takeover effect. This concentration of voting power limits the ability of our other shareholders to influence corporate

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matters, including eliminating or restricting Mr. Biglari's control, and potentially prolongs Mr. Biglari's control. Future issuances of shares of non-voting New BH Class B common stock would not result in voting dilution of Mr. Biglari's voting power.

The recapitalization may negatively affect the decision by certain institutional investors to invest in New BH. Recently, some stock index providers have announced decisions to exclude companies with multi-class capital structures or limited public voting rights from their indices or are considering doing so. There can be no assurance that either class of our stock would be listed in the indices.

To review the reasons for our reorganization and recapitalization in greater detail, see *The Reorganization/Recapitalization Proposal Reasons for the Reorganization and Recapitalization; Recommendation of the Independent Directors of the Board*.

What will happen to my stock in the Company?

In the reorganization and recapitalization, for every ten (10) shares of common stock of the Company you own immediately prior to the effective time of the reorganization, you will receive (i) ten (10) shares of Class B common stock of New BH and (ii) one (1) share of Class A common stock of New BH. In other words, you will receive for a share of common stock of the Company (i) one (1) share of Class B common stock of New BH and (ii) 1/10th of one share of Class A common stock of New BH. We expect that the New BH Class A common stock will trade on the NYSE under the ticker symbol BHA, whereas the New BH Class B common stock is expected to trade on the NYSE under the ticker symbol BH (the current ticker symbol for the Company common stock).

Why is the common stock of New BH classified into Class A and Class B common stock?

We believe that the creation of a dual class structure at New BH will have important advantages, including the following:

Facilitating an ownership structure, including Mr. Biglari's control of the Company, that enables our Board and management to continue to focus on our objective of maximizing per-share intrinsic value over the long term; and

Providing us with the flexibility to use the non-voting Class B common stock for acquisitions and financing transactions, thereby avoiding the dilution of our shareholders' voting power that would otherwise occur if we were to issue shares of voting common stock.

How will being a New BH shareholder be different from being a shareholder of the Company?

Your rights as a holder of New BH Class A common stock will be substantially the same as your rights as a holder of Company common stock, including rights as to voting and dividends. The New BH Class B common stock will (i) have no voting rights, (ii) have economic rights equivalent to 1/5th of one share of the Class A common stock and (iii) otherwise be treated equally with the shares of Class A common stock. For more information, see *The Reorganization/Recapitalization Proposal Comparative Rights of Holders of New BH Capital Stock and Company Capital Stock; Provisions under the IBCL and Organizational Documents, Description of New BH Capital Stock and Description of Company Capital Stock*.

Will the management or the business of the Company change as a result of the reorganization and recapitalization?

No. The management and business of our Company will remain the same immediately after the reorganization and recapitalization.

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What will the name of the public company be following the reorganization and recapitalization?

Immediately following the reorganization, New BH will be named Biglari Holdings Inc.

Will the CUSIP number of the common stock change as a result of the reorganization and recapitalization?

Yes. Following the reorganization and recapitalization, a new CUSIP number will be assigned to the New BH Class A common stock and the New BH Class B common stock.

Will I have to turn in my stock certificates?

Yes; however, **DO NOT** send your stock certificates with your proxy card. Following the consummation of the reorganization and recapitalization, you will receive written instructions for exchanging your stock certificates. Once you have properly surrendered your Company stock certificates to New BH's transfer agent, along with your duly completed letter of transmittal and any other documents as may customarily be required by the transfer agent, you will receive a statement reflecting your ownership of the uncertificated Class A and Class B common stock of New BH in book-entry form (unless you request a physical certificate).

Will the reorganization and recapitalization affect my U.S. federal income taxes?

The proposed reorganization and recapitalization is intended to constitute a tax-free transaction under U.S. federal income tax laws. We expect that you will not recognize any gain or loss for U.S. federal income tax purposes upon your receipt of New BH Class A and Class B common stock in exchange for your shares of Company common stock. You are urged to read the discussion in the section entitled *The Reorganization/Recapitalization Proposal Material U.S. Federal Income Tax Consequences* and to consult your tax adviser as to the U.S. federal income tax consequences of the reorganization and recapitalization, as well as the effects of other federal, state, local and non-U.S. tax laws.

How will the reorganization be treated for accounting purposes?

For accounting purposes, the reorganization will be treated as a merger of entities under common control. Accordingly, the consolidated financial position and results of operations of the Company will be included in the consolidated financial statements of New BH on the same basis as currently presented, except for earnings per share which will be impacted by the issuance of the new common shares.

What vote is required to approve the reorganization/recapitalization proposal?

The required vote is the affirmative vote of a majority of all votes entitled to be cast at the Special Meeting.

What percentage of the outstanding shares of Company common stock do our directors hold?

As of the Record Date, Mr. Biglari and the other directors of the Company collectively beneficially owned 1,133,382 shares of the Company's common stock, representing approximately 54.8% of the votes entitled to be cast at the Special Meeting, and accordingly have the ability to approve the reorganization/recapitalization proposal without the vote of any other shareholders. Each of Mr. Biglari and our other directors has indicated that he or she intends to vote in favor of the reorganization/recapitalization proposal, as well as in favor of the organizational documents proposals.

If shareholders approve the reorganization/recapitalization proposal, when will it occur?

If our shareholders approve the reorganization/recapitalization proposal and all other conditions to the completion of the reorganization are satisfied, the reorganization and recapitalization will become effective on

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the date we file Articles of Merger with the Secretary of State of the State of Indiana or a later date that we specify therein. We expect that we will file the Articles of Merger, and that the reorganization and recapitalization will become effective, promptly following the conclusion of the Special Meeting, although it is possible there may be some delay in doing so.

Do I have dissenters (or appraisal) rights?

No. Indiana law does not provide for dissenters' rights for the Company's shareholders with respect to the reorganization and recapitalization or with respect to the organizational documents proposals.

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SUMMARY OF THE REORGANIZATION/RECAPITALIZATION PROPOSAL

This section highlights key aspects of the reorganization/recapitalization proposal, including the Reorganization Agreement and the transactions contemplated thereby, including the reorganization and recapitalization, that are described in greater detail elsewhere in this proxy statement/prospectus. It does not contain all of the information that may be important to you. To better understand the reorganization/recapitalization proposal, and for a more complete description of the legal terms of the Reorganization Agreement, the reorganization and recapitalization, and your rights as a shareholder of New BH, you should read this entire document carefully, including the Annexes, and the additional documents to which we refer you. You can find information with respect to these additional documents in Where You Can Find More Information.

The Principal Parties

Biglari Holdings Inc. (the Company)

The Company is a holding company owning subsidiaries engaged in a number of diverse business activities, including media, property and casualty insurance, and restaurants. The Company's largest operating subsidiaries are involved in the franchising and operating of restaurants. Biglari Holdings is founded and led by Sardar Biglari, Chairman and Chief Executive Officer of Biglari Holdings and its major operating subsidiaries. The Company's long-term objective is to maximize per-share intrinsic value. All major operating, investment, and capital allocation decisions are made for the Company and its subsidiaries by Mr. Biglari.

We are an Indiana corporation. Information about Biglari Holdings Inc. is available on its website at www.biglariholdings.com. The contents of our website are not incorporated by reference herein and are not deemed to be part of this proxy statement/prospectus. The address for Biglari Holdings Inc. is 17802 IH 10 West, Suite 400, San Antonio, Texas 78257. The telephone number is (210) 344-3400.

NBHSA Inc. (New BH)

NBHSA Inc., or New BH, was formed as a wholly owned subsidiary of the Company in order to effect the reorganization and recapitalization. Prior to the reorganization and recapitalization, New BH will have no assets or operations other than those incident to its formation. The address for NBHSA Inc. is 17802 IH 10 West, Suite 400, San Antonio, Texas 78257. The telephone number is (210) 344-3400.

BH Merger Company (Merger Sub)

Merger Sub was formed as a wholly owned subsidiary of New BH in order to effect the reorganization and recapitalization. Prior to the reorganization and recapitalization, Merger Sub will have no assets or operations other than those incident to its formation. The address for BH Merger Company is 17802 IH 10 West, Suite 400, San Antonio, Texas 78257. The telephone number is (210) 344-3400.

Reorganization and Recapitalization Procedure

Under the Reorganization Agreement, Merger Sub will merge with and into the Company, with the Company surviving the merger as a wholly owned subsidiary of New BH. Upon completion of this merger, New BH will be named Biglari Holdings Inc. and replace the Company as the publicly held corporation.

What You Will Receive in the Reorganization and Recapitalization

New BH has two classes of common stock designated Class A common stock and Class B common stock. A share of Class B common stock has economic rights equivalent to 1/5th of a share of Class A common stock, however, Class B common stock has no voting rights.

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In the reorganization and recapitalization, for every ten (10) shares of common stock of the Company you own immediately prior to the effective time of the reorganization, you will receive (i) ten (10) shares of Class B common stock of New BH and (ii) one (1) share of Class A common stock of New BH. In other words, you will receive for a share of common stock of the Company (i) one (1) share of Class B common stock of New BH and (ii) 1/10th of one share of Class A common stock of New BH.

On the Record Date, there were outstanding 2,067,726 shares of the Company's common stock.

Conditions to Completion of the Reorganization and Recapitalization

The completion of the reorganization and recapitalization depends on the satisfaction of the following conditions:

the effectiveness of the registration statement, of which this proxy statement/prospectus forms a part, relating to the shares of New BH Class A and Class B common stock to be issued in the reorganization and recapitalization without the issuance of a stop order or initiation of any proceeding by the SEC seeking a stop order;

approval and adoption of the Reorganization Agreement by the affirmative vote of a majority of all votes entitled to be cast by the Company's shareholders at the Special Meeting;

approval for listing on the NYSE of the shares of New BH Class A and Class B common stock to be issued in the reorganization and recapitalization, subject to official notice of issuance; and

absence of any order or proceeding that would prohibit or make illegal completion of the reorganization or recapitalization.

Termination of the Reorganization Agreement

The Reorganization Agreement may be terminated at any time prior to the completion of the reorganization and recapitalization (even after adoption by our shareholders) by action of a majority of the independent Directors if such majority determines that for any reason the completion of the transactions provided for therein would be inadvisable or not in the best interest of our Company or our shareholders.

Board of Directors and Executive Officers of New BH Following the Reorganization and Recapitalization

The Board of Directors of New BH (the "New BH Board") presently consists of the same persons comprising the Board. Immediately following the reorganization and recapitalization, the New BH Board will continue to be comprised of the same individuals. In addition, the executive officers of New BH following the reorganization and recapitalization will be the same as those of the Company immediately prior to the reorganization and recapitalization.

Material U.S. Federal Income Tax Consequences

The Company's shareholders are not expected to recognize a gain or loss for U.S. federal income tax purposes upon the receipt of New BH Class A and Class B common stock as a result of the reorganization and recapitalization.

Shareholders are urged to consult their own tax advisor to determine the specific tax consequences of the reorganization and recapitalization to them.

Markets and Market Prices

The New BH Class A and Class B common stock are not currently traded on any stock exchange. The Company's common stock is traded under the symbol "BH" on the NYSE. Upon completion of the

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reorganization and recapitalization, we expect that the New BH Class A common stock will trade on the NYSE under the ticker symbol BHA, whereas the New BH Class B common stock is expected to trade on the NYSE under the ticker symbol BH (the current ticker symbol for the Company common stock). Following the reorganization and recapitalization, the Company's common stock will no longer be listed on the NYSE.

On December 21, 2017, the last trading day before the announcement of the reorganization/recapitalization proposal, the closing price per share of Company common stock was \$421.80. On March 29, 2018, the most recent trading day for which prices were available, the closing price per share of Company common stock was \$408.41.

Dissenters' Rights

Indiana law does not provide for dissenters' rights for the Company's shareholders with respect to the reorganization and recapitalization.

Interests of the Company's Directors and Officers in the Reorganization and Recapitalization

Our directors and executive officers own shares of our common stock and, to that extent, their interest in the reorganization and recapitalization is the same as that of the other holders of shares of our common stock. Our directors and executive officers have no other interests in the reorganization and recapitalization except that the reorganization and recapitalization could increase or prolong Mr. Biglari's control.

Litigation Relating to the Reorganization and Recapitalization

On January 29, 2018, a shareholder of the Company filed a purported class action complaint against the Company and the members of our Board of Directors in the Superior Court of Hamilton County, Indiana. The shareholder generally alleges claims for breach of fiduciary duty by the individual defendants and unjust enrichment to Mr. Biglari as a result of the recapitalization. The shareholder seeks, for himself and on behalf of all other shareholders as a class (other than the individual defendants and those related to or affiliated with them), to enjoin the vote on the recapitalization, to obtain a declaration that the defendants breached their duty to the shareholder, and to recover unspecified damages, pre-judgment and post-judgment interest, including an award of their attorneys' fees and other costs.

In addition, on February 7, 2018, the same shareholder of the Company filed a second purported class action complaint in the Circuit Court of Hamilton County, Indiana, naming as defendants the Company and the members of our Board of Directors and adding as defendants, New BH and Merger Sub. This new complaint added new counts for injunctive and declaratory relief. The Company believes that this new complaint is based on the same general facts and theories as the first complaint.

Both of these cases have been removed to the federal United States District Court for the Southern District of Indiana, where they are currently pending. The plaintiff has filed motions in both cases to remand these cases to state court.

On March 19, 2018, the plaintiff amended his complaint in the first action to add New BH and Merger Sub as defendants. The plaintiff also added claims asserting that the Company has breached the Company Charter, violated the Indiana Business Corporation Law, and that shares owned by The Lion Fund, L.P. and The Lion Fund II, L.P., investment partnerships controlled by Mr. Biglari, do not constitute outstanding shares that may be voted under Indiana law. The plaintiff seeks declaratory and injunctive relief prohibiting Mr. Biglari from voting these shares and declaring the Reorganization Agreement unenforceable.

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On March 26, 2018, a second shareholder of the Company filed a purported class action complaint against the Company, the members of our Board of Directors, New BH, and Merger Sub in the Superior Court of Hamilton County, Indiana. This shareholder generally alleges claims of breach of fiduciary duty by the members of our Board of Directors and that the Company, New BH and Merger Sub aided and abetted such breach. This shareholder seeks to enjoin the Special Meeting and the recapitalization proposal, including declaratory relief that fiduciary breaches occurred and thus the Reorganization Agreement is unenforceable. The Company believes that this additional complaint is