

Edgar Filing: GRILL CONCEPTS INC - Form DEF 14A

GRILL CONCEPTS INC  
Form DEF 14A  
April 25, 2003

SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant [X]  
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement [ ] Confidential for Use  
[X] Definitive Proxy Statement of the Commission Only  
[ ] Definitive Additional Materials (as permitted by Rule  
[ ] Soliciting Material Pursuant to 14a-6(e)(2))  
Rule 14a-11(c) or Rule 14a-12

GRILL CONCEPTS, INC.

-----  
(Name of Registrant As Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.  
[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and  
0-11.

1. Title of each class of securities to which transaction applies:  
-----

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):  
-----

4. Proposed maximum aggregate value of transaction:  
-----

5. Total fee paid:  
-----

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

1. Amount Previously Paid:  
-----

2. Form, Schedule or Registration Statement No.:

Edgar Filing: GRILL CONCEPTS INC - Form DEF 14A

-----  
3. Filing Party:  
-----

4. Date Filed:  
-----

GRILL CONCEPTS, INC.  
11661 San Vicente Blvd., Suite 404  
Los Angeles, California 90049

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD WEDNESDAY, JUNE 25, 2003

To the Shareholders of Grill Concepts, Inc.:

An Annual Meeting of Shareholders of Grill Concepts, Inc. (the "Company") will be held at the Daily Grill restaurant located at 2121 Rosecrans, El Segundo, California, at 9:00 a.m., on Wednesday, June 25, 2003 for the following purposes:

1. To elect seven directors of the Company to hold office until the next annual meeting of shareholders or until their successors are duly elected and qualified.
2. To consider a proposal to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent certifying accountants.
3. To transact such other business as may properly come before the meeting or any adjournment thereof.

Shareholders of record at the close of business on April 27, 2003 are entitled to notice of and to vote at the meeting and any adjournment thereof.

You are cordially invited to attend the meeting. Whether or not you are planning to attend the meeting, you are urged to complete, date and sign the enclosed proxy card and return it promptly.

YOUR VOTE IS IMPORTANT! PLEASE PROMPTLY MARK, DATE, SIGN AND RETURN YOUR PROXY IN THE ENCLOSED ENVELOPE. IF YOU ARE ABLE TO ATTEND THE MEETING AND WISH TO VOTE YOUR SHARES PERSONALLY, YOU MAY DO SO AT ANY TIME BEFORE THE PROXY IS VOTED.

By Order of the Board of Directors

/s/ Michael Weinstock  
-----

Michael Weinstock  
Chairman

Los Angeles, California

Edgar Filing: GRILL CONCEPTS INC - Form DEF 14A

April 28, 2003

GRILL CONCEPTS, INC.  
11661 SAN VICENTE BLVD., SUITE 404  
LOS ANGELES, CALIFORNIA 90049

-----  
PROXY STATEMENT  
FOR  
ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD JUNE 25, 2003  
-----

INTRODUCTION

This Proxy Statement is being furnished in connection with the solicitation of proxies on behalf of the Board of Directors of Grill Concepts, Inc. (the "Company") for use at the 2003 Annual Meeting of Shareholders of the Company and at any adjournment thereof (the "Annual Meeting"). The Annual Meeting is scheduled to be held at the Daily Grill Restaurant, 2121 Rosecrans, El Segundo, California, on Wednesday, June 25, 2003 at 9:00 a.m. local time. This Proxy Statement and the enclosed form of proxy will first be sent to shareholders on or about April 28, 2003.

PROXIES

The shares represented by any proxy in the enclosed form, if such proxy is properly executed and is received by the Company prior to or at the Annual Meeting prior to the closing of the polls, will be voted in accordance with the specifications made thereon. Proxies on which no specification has been made by the shareholder will be voted FOR the election to the Board of Directors of the nominees of the Board of Directors named herein, FOR the ratification of the appointment of the designated independent accountants, and as the proxy holders deem advisable on other matters that may come before the meeting. Proxies are revocable by written notice received by the Secretary of the Company at any time prior to their exercise or by executing a later dated proxy. Proxies will be deemed revoked by voting in person at the Annual Meeting.

VOTING SECURITIES

Shareholders of record at the close of business on April 27, 2003 (the "Record Date") are entitled to notice of and to vote at the Annual Meeting. On the Record Date, the total number of shares of common stock of the Company, \$0.00004 par value per share (the "Common Stock"), outstanding and entitled to vote was 5,537,071. The holders of all outstanding shares of Common Stock are entitled to one vote for each share of Common Stock registered in their names on the books of the Company at the close of business on the Record Date. Additionally, every shareholder voting for the election of directors may cumulate such shareholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of shares held by the shareholder as of the Record Date, or distribute such shareholder's votes on the same principle among as many candidates as the shareholder may select, provided that votes cannot be cast for more than the number of directors to be elected. However, no shareholder shall be entitled to cumulate votes unless the candidate's name has been placed in nomination prior to the voting and the shareholder, or any other shareholder, has given notice at the meeting prior to the voting of the intention to cumulate the shareholder's votes.

## Edgar Filing: GRILL CONCEPTS INC - Form DEF 14A

### QUORUM AND OTHER MATTERS

The presence at the Meeting, in person or by proxy, of the holders of a majority of the outstanding shares of Common Stock entitled to vote at the Annual Meeting is necessary to constitute a quorum. The Board of Directors is not aware of any matters that are expected to come before the Annual Meeting other than those referred to in this Proxy Statement. If any other matter should come before the Annual Meeting, the persons named in the accompanying proxy intend to vote such proxies in accordance with their best judgment.

1

Shares of Common Stock represented by a properly dated, signed and returned proxy will be counted as present at the Annual Meeting for purposes of determining a quorum, without regard to whether the proxy is marked as casting a vote or abstaining. Directors will be elected by a plurality of the votes cast at the Annual Meeting. Each of the other matters scheduled to come before the Annual Meeting requires the approval of a majority of the votes cast at the Annual Meeting. Therefore, abstentions and broker non-votes will have no effect on the election of directors or any other matter.

### PROPOSAL 1 ELECTION OF DIRECTORS

Seven directors are to be elected to serve until the next annual meeting of shareholders and until their successors are elected and shall have qualified. The Board of Directors has nominated Robert Spivak, Michael Weinstock, Charles Frank, Glenn Golenberg, Lewis Wolff, Stephen Ross and Norman MacLeod to serve as directors (the "Nominees"). Each of the Nominees is currently serving as a director of the Company. Directors shall be elected by shareholders holding a plurality of the shares of Common Stock present at the Annual Meeting. It is the intention of the persons named in the form of proxy, unless authority is withheld, to vote the proxies given them for the election of all of the Nominees. In the event, however, that any one of them is unable or declines to serve as a director, the appointees named in the form of proxy reserve the right to substitute another person of their choice as nominee, in his place and stead, or to vote for such lesser number of directors as may be presented by the Board of Directors in accordance with the Company's Bylaws. The Board of Directors has no reason to believe that any nominee will be unable to serve or decline to serve as a director. Any vacancy occurring between shareholders' meetings, including vacancies resulting from an increase in the number of directors, may be filled by the Board of Directors. A director elected to fill a vacancy shall hold office until the next annual shareholders' meeting.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE ELECTION OF ALL NOMINEES NAMED ABOVE TO THE BOARD OF DIRECTORS.

### INFORMATION REGARDING NOMINEES

Set out below is certain information concerning our nominees for election as directors of the Company:

ROBERT SPIVAK	Director Since 1995	Age 59 -----
---------------	---------------------	-----------------

Mr. Spivak has served as President, Chief Executive Officer and a director of the Company since 1995. Mr. Spivak was a co-founder of the Company's predecessor, Grill Concepts, Inc. (a California corporation) ("GCI") and served as President, Chief Executive Officer and a director of GCI from the company's inception in 1988 until 1995. Prior to forming GCI, Mr. Spivak co-founded, and



## Edgar Filing: GRILL CONCEPTS INC - Form DEF 14A

STEPHEN ROSS

Director Since 2001

Age 54

-----

Mr. Ross is a consultant and private investor. From 1989 to 2001, Mr. Ross served as Executive Vice President - Special Projects for the Warner Bros. Division of AOL Time Warner, Inc. Previously, Mr. Ross served as Senior Vice President and General Counsel for Lorimar Telepictures Corporation, and its predecessors, from 1981 to 1989. Since 2001, Mr. Ross has served as a director of MAI Systems Corporation, an information technology solutions provider for the hotel industry.

NORMAN MACLEOD

Director Since 2001

Age 52

-----

Mr. MacLeod is Executive Vice President of the Sheraton Hotels & Resorts division of Starwood Hotels & Resorts Worldwide, Inc. Mr. MacLeod has served in various management positions with Starwood since 1996, beginning as Area Managing Director for the North American Southeast operations of the company's Westin Hotels & Resorts division and then Executive Vice President of the Westin Hotels & Resorts division and, most recently, Executive Vice President, Operations, North America Division. Previously, Mr. MacLeod served in various management positions with Omni Hotels.

### INFORMATION REGARDING EXECUTIVE OFFICERS

The executive officers are elected to serve annual terms. Certain information concerning the Company's executive officers as of the date of this proxy statement is set forth below, except that information concerning Messrs. Spivak and Weinstock is set forth above under "Information Regarding Nominees."

3

DARYL ANSEL. Mr. Ansel, age 41, has served as Chief Financial Officer of the Company since January 2001. Prior to joining the Company, Mr. Ansel served as food and beverage finance manager at Universal Studios from June 1999 to January 2001. Previously, Mr. Ansel owned and operated catering and restaurant businesses from 1990 to 1997, and served, from 1983 to 1990, in various senior finance positions with the University of California, Berkeley.

JOHN SOLA. Mr. Sola, age 50, has served as Vice President - Operations and Development of the Company since September 2001. Previously, Mr. Sola served as Executive Chef for GCI from 1988 until 1995 when he assumed the position of Vice President - Executive Chef of the Company. Mr. Sola oversees all kitchen operations, including personnel, food preparation and food costs, as well as monitoring and maintaining the overall performance of the kitchens and establishing procedures and policies in connection with the opening of new Daily Grill restaurants. Mr. Sola, along with Mr. Spivak, created the Daily Grill menu. Prior to joining GCI, Mr. Sola served as opening chef at The Grill on the Alley from inception in 1984 to 1988. Previously, Mr. Sola served in various positions, including Executive Chef, at a wide range of restaurants.

### COMPLIANCE WITH SECTION 16(A) OF EXCHANGE ACT

Under the securities laws of the United States, the Company's directors, its executive officers, and any persons holding more than ten percent of the Company's Common Stock are required to report their initial ownership of the Company's Common Stock and any subsequent changes in that ownership to the Securities and Exchange Commission. Specific due dates for these reports have been established and the Company is required to disclose in this Proxy Statement any failure to file by these dates during 2002. Based solely on a review of

## Edgar Filing: GRILL CONCEPTS INC - Form DEF 14A

such reports and written statements of its directors, executive officers and shareholders, the Company believes that all of the filing requirements were satisfied on a timely basis in 2002.

### COMMITTEES AND ATTENDANCE OF THE BOARD OF DIRECTORS

In order to facilitate the various functions of the Board of Directors, the Board has created a standing Audit Committee and a standing Compensation Committee. The Board of Directors has no standing nominating committee or any committee performing the functions of such committee.

The functions of the Company's Audit Committee are to review the Company's financial statements with the Company's independent auditors; to determine the effectiveness of the audit effort through regular periodic meetings with the Company's independent auditors; to determine through discussion with the Company's independent auditors that no unreasonable restrictions were placed on the scope or implementation of their examinations; to inquire into the effectiveness of the Company's financial and accounting functions and internal controls through discussions with the Company's independent auditors and officers of the Company; to recommend to the full Board of Directors the engagement or discharge of the Company's independent auditors; and to review with the independent auditors the plans and results of the auditing engagement. The members of the Audit Committee are Mr. Frank, Chairman, Mr. Golenberg and Mr. Ross. Based on management's assessment and the standards established by Nasdaq, the Company believes that each of the members of the Audit Committee is an "independent" director and satisfies the definition of a "financial expert".

The functions of the Company's Compensation Committee include reviewing the existing compensation arrangements with officers and employees, periodically reviewing the overall compensation program of the Company and recommending to the Board modifications of such program which, in the view of the development of the Company and its business, the Committee believes are appropriate, recommending to the full Board of Directors the compensation arrangements for senior management and directors, and recommending to the full Board of Directors the adoption of compensation plans in which officers and directors are eligible to participate and granting options or other benefits under such plans. The members of the Compensation Committee are Mr. Frank, Chairman, Mr. Golenberg and Mr. Ross.

During the year ended December 29, 2002, the Board of Directors held four formal meetings, the Audit Committee held four meetings and the Compensation Committee held one meeting. Each director attended at least 75% of the aggregate of (i) the total number of meetings of the Board of Directors, plus (ii) the total number of meetings held by all committees of the Board of Directors on which the director served.

4

### COMPENSATION OF DIRECTORS

Each non-employee director of the Company is paid a fee of \$500 for each Board meeting attended and \$250 for each committee meeting attended. The Company also reimburses each director for all expenses of attending such meetings. Each non-employee director is also granted a \$500 per quarter food credit at the Company's restaurants. Additionally, each non-employee director is currently granted options, pursuant to the Company's amended 1998 Comprehensive Stock Option and Award Plan, to purchase 6,250 shares of Common Stock upon their initial appointment as a director. Thereafter, each non-employee director on the day following each annual meeting of shareholders of the Company shall automatically receive options to purchase an additional

Edgar Filing: GRILL CONCEPTS INC - Form DEF 14A

5,000 shares, plus an additional 1,000 shares for each committee on which such non-employee director serves. All such options are exercisable at the fair market value of the Company's Common Stock on the date of grant. Such options are fully vested and exercisable with respect to all of the shares covered on the date of each grant.

No additional compensation of any nature is paid to employee directors.

EXECUTIVE COMPENSATION AND OTHER MATTERS

The following table sets forth information concerning cash and non-cash compensation paid or accrued for services in all capacities to the Company during the year ended December 29, 2002 of each person who served as the Company's Chief Executive Officer during fiscal 2002 and the four other most highly paid executive officers whose total annual salary and bonus exceeded \$100,000 during the fiscal year ended December 29, 2002 (the "Named Officers").

5

Name and Principal Position	Year	Salary(\$)	Annual Compensation		L Co Stoc
			Bonus(\$)	Other (\$)	
Robert Spivak	2002	235,000	-0-	33,500 (1)	
President and	2001	225,000	-0-	33,500 (1)	
Chief Executive Officer	2000	225,000	-0-	33,500 (1)	
Daryl Ansel	2002	140,000	-0-	-0-	
Chief Financial Officer (2)	2001	130,000	-0-	-0-	
	2000	-0-	-0-	-0-	
John Sola	2002	146,000	-0-	-0-	
Vice President - Operations	2001	138,000	-0-	-0-	
and Development	2000	114,423	-0-	-0-	
Michael Weinstock	2002	112,500	-0-	-0-	
Executive Vice President and	2001	112,500	-0-	-0-	
Chairman of the Board	2000	100,000	-0-	-0-	