

CHUY'S HOLDINGS, INC.

Form 10-K/A

April 22, 2014

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the fiscal year ended December 29, 2013

OR

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

Commission File No. 001-35603

CHUY'S HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State of Incorporation
or Organization)

20-5717694

(I.R.S. Employer
Identification No.)

1623 TOOMEY ROAD

AUSTIN, TEXAS

(Address of Principal Executive Offices)

78704

(Zip Code)

Registrant's Telephone Number, Including Area Code: (512) 473-2783

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Stock, par value \$0.01 per share

Name of each exchange on which registered

Nasdaq Stock Market LLC

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities

Act. Yes " No þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the

Act. Yes " No þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes þ No "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T

(§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No "

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

..

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act (Check One):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of June 28, 2013 (the last business day of our most recently completed second fiscal quarter), the aggregate market value of the registrant’s common stock held by non-affiliates was approximately \$606 million.

The number of shares of the registrant’s common stock outstanding at April 14, 2014 was 16,435,687.

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EXPLANATORY NOTE

Chuy's Holdings, Inc. (the "Company," "we," "us," or "our") is filing this Amendment No. 1 on Form 10-K/A (this "Amendment No. 1") to amend our Annual Report on Form 10-K for the year ended December 29, 2013, originally filed with the Securities and Exchange Commission (the "SEC") on March 11, 2014 (the "Original Form 10-K"), to include the information required by Items 10 through 14 of Part III of Form 10-K. This information was previously omitted from the Original Form 10-K in reliance on General Instruction G(3) to Form 10-K, which permits the information in the above referenced items to be incorporated in the Form 10-K by reference from our definitive proxy statement if such statement is filed no later than 120 days after our fiscal year-end. We are filing this Amendment No. 1 to provide the information required in Part III of Form 10-K because a definitive proxy statement containing such information will not be filed by the Company within 120 days after the end of the fiscal year covered by the Form 10-K.

Pursuant to the rules of the SEC, Part IV, Item 15 has also been amended to contain the currently dated certifications from the Company's principal executive officer and principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. The certifications of the Company's principal executive officer and principal financial officer are attached to this Amendment No. 1 as Exhibits 31.1 and 31.2. Because no financial statements have been included in this Amendment No. 1 and this Amendment No. 1 does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K, paragraphs 3, 4 and 5 of the certifications have been omitted. We are not including the certificate under Section 906 of the Sarbanes-Oxley Act of 2002 as no financial statements are being filed with this Form 10-K/A. Part IV, Item 15 has also been amended to include certain exhibits required to be filed as part of this Amendment No. 1.

This Amendment No. 1 does not amend any other information set forth in the Original Form 10-K, and we have not updated disclosures included therein to reflect any subsequent events. This Amendment No. 1 should be read in conjunction with the Original Form 10-K and with our filings with the SEC subsequent to the Original Form 10-K.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth certain information about our directors and executive officers as of December 29, 2013:

NAMES	AGE	POSITIONS
Steve Hislop	54	Director, President and Chief Executive Officer
Jon Howie	46	Vice President and Chief Financial Officer
Sharon Russell	58	Secretary and Chief Administrative Officer
Frank Biller	57	Vice President of Operations, Southeast Region
Michael Hatcher	53	Vice President of Real Estate and Development
Gary LaRue	47	Vice President of Operations, South Region
Phillip Lazenby	52	Vice President of Operations
Michael Young	65	Co-Chairman of the Board, Director
John Zapp	61	Co-Chairman of the Board, Director
Starlette Johnson	50	Director ^{(1), (2)}
Saed Mohseni	51	Director ^{(1), (3)}
Doug Schmick	66	Director ^{(2), (3)}
Ira Zecher	61	Director ^{(1), (3)}

(1) Member of compensation committee.

(2) Member of nominating and corporate governance committee.

(3) Member of audit committee.

Executive Officers Biographies

Steve Hislop has served as President, Chief Executive Officer and a member of our board of directors since July 2007. From July 2006 through June 2007, Steve was President and Chief Executive Officer of Sam Seltzer Steak House. Prior to that, Steve served as the Concept President and a member of the board of directors of O'Charley's Restaurants for 18 years, where he helped grow the business from 12 restaurants to a multi-concept company with 347 restaurants. Steve currently serves on the Board of Directors of Not Your Average Joe's, Inc, which is a privately held company. We have concluded that Steve should serve on our board based upon his operational expertise, knowledge of the restaurant industry and leadership experience.

Jon Howie has served as our Chief Financial Officer since August 2011 and Vice President since April of 2013. From March 2007 to July 2011, Jon served as the Chief Financial Officer of Del Frisco's Restaurant Group, LLC. Prior to that, he served 5 years as Controller and was then promoted to Chief Accounting Officer of the Lone Star Steakhouse & Saloon, Inc. Jon is a certified public accountant and prior to joining Lone Star Steakhouse & Saloon, Inc. was employed as an audit senior manager with Grant Thornton, LLP for one year and held various audit positions, including audit senior manager, at Ernst & Young LLP for ten years. At Grant Thornton and Ernst and Young, he served as an accounting and business advisor to both private and public companies and advised a number of these companies in conjunction with their initial and secondary public offerings.

Sharon Russell has served as our Secretary and Chief Administrative Officer since August 2011. Prior to becoming our Chief Administrative Officer, she supervised our accounting department from 1987 to 2006 and served as our Chief Financial Officer from 2006 to August 2011.

Frank Biller has served as our Vice President of Operations for the Southeast Region since July 2008. Prior to joining us, Frank spent 18 years as the Vice President of Operations for O'Charley's Restaurants with overall responsibility for 240 restaurants in 19 states.

Michael Hatcher has served as our Vice President of Real Estate and Development since November 2009. Michael joined Chuy's as a restaurant manager in 1987 and was promoted to General Manager from 1989 to 2002. He was Director of Purchasing and Real Estate from 2002 to 2009.

Gary LaRue has served as our Vice President of Operations for the South Region since August 2013. He joined the Company in August 2009 as an Area Supervisor. Before his promotion to Vice President of Operations, South, he oversaw seven Chuy's locations in Houston, College Station, Lubbock and San Antonio. From August 2006 until August 2009, Gary served as the Area Director of Raising Cane's Chicken Fingers for half of the company-owned restaurants and managed its company operations and partial franchise operations. Prior to joining Raising Cane's, he held positions for various companies in the restaurant and food industry, including On the Border Mexican Cantina, Central Market and Fuddruckers.

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Phillip Lazenby has served as our Vice President of Operations since February 2014. Prior to his promotion, he was Area Supervisor over multiple Chuy's locations across Austin, Dallas, Fort Worth, San Antonio and Waco. Before joining the company in June of 2008, Phillip served as a Regional Director for O'Charley's Restaurants and an Area Director for Rio Bravo Restaurants, overseeing 36 restaurants in the Atlanta market for those concepts.

Director Biographies

Michael Young, one of our founders, has served as a member of our board since November 2006 and became Co-Chairman of the Board in October 2013. We have concluded that Michael should serve on our board based upon his experience as an investor and operator of restaurant businesses as well as his intimate knowledge of our operations and culture.

John Zapp, one of our founders, has served as a member of our board since November 2006 and became Co-Chairman of the Board in October 2013. John currently serves on the Board of Directors of Briggo, Inc., a private company that operates Briggo Coffee Haus. We have concluded that John should serve on our board based upon his experience as an investor and operator of restaurant businesses as well as his intimate knowledge of our operations and culture.

Starlette Johnson has served as a member of our board since September 2012. Starlette most recently served as President and Chief Operating Officer, as well as a Director, of Dave & Buster's, Inc. from 2007 to 2010. Starlette joined Dave & Buster's as Chief Strategic Officer in 2006. Prior to joining Dave & Buster's, Starlette worked at Brinker International, where she held positions of increasing responsibility, including serving as the Executive Vice President and Chief Strategic Officer. Starlette served as a member of the Board of Directors for Tuesday Morning, Inc. from 2008 to 2011, during which time she served on the Audit Committee and the Nominating/Governance Committee. She also serves on the Advisory Board for the Hospitality & Tourism Program at Virginia Tech and is also a member of the International Women's Foundation. Starlette received a B.S. in Finance from Virginia Tech and an M.B.A. from Duke University. We have concluded that Starlette should serve on our board based upon her experience as an executive and board member and her knowledge of the restaurant industry.

Saed Mohseni has served as a member of our board since September 2012. Saed currently serves as the President and Chief Executive Officer of Bravo Brio Restaurant Group, Inc., the owner and operator of BRAVO! Cucina Italiana and BRIO Tuscan Grille. He was recruited to the Chief Executive Officer position in 2007, assumed the additional role of President in 2009 and led the company through the IPO process in 2010. Additionally, Saed has served as a director of Bravo Brio Restaurant Group, Inc. since 2006. Prior to joining Bravo Brio, Saed worked at McCormick & Schmick for 21 years, where he held positions of increasing responsibility, including serving as a Director from 2004 to 2007 and as Chief Executive Officer from 2000 to 2007. Saed attended Portland State University and Oregon State University. We have concluded that Saed should serve on our board based upon his experience as an executive and board member and his knowledge of the restaurant industry.

Doug Schmick has served as a member of our board since April 2013 and is a highly respected executive with 40 years of experience in the upscale casual dining segment as a co-founder of McCormick & Schmick's Seafood Restaurants in 1972. Mr. Schmick served on McCormick & Schmick's Board of Directors beginning in 2001 and was appointed Chairman in 2004. He also served as Chief Executive Officer of McCormick & Schmick's from 1974 through 1999, and again from 2007 through 2009. He currently serves on Cheesecake Factory's Board of Directors as a member of the Audit Committee and on Anthony's Coal Fired Pizza's Board of Directors which is a privately held company. We have concluded that Doug should serve on our board based upon his experience as an executive and board member and his knowledge of the restaurant industry.

Ira Zecher has served as a member of our board since June 2011. Ira has been a professor at Rutgers University in the Graduate program since September 2010. From 1974 through December 2010, Ira was employed by Ernst & Young LLP, a registered public accounting firm, retiring as a partner. Previously, he was a senior transaction advisory services partner and Far East private equity leader for Ernst & Young LLP, where he advised clients on mergers and acquisitions across a broad range of industries. Prior to joining the transaction advisory services group, Ira provided accounting, audit and business-advisory services to both public and private clients for Ernst & Young LLP since 1974. Ira currently serves as a member of the Board of Directors for Norcraft Companies, Inc. as Chairman of the Audit Committee and a member of the Compensation Committee. He received his Bachelor's degree from Queens College. He is also a certified public accountant, a member of the American Institute of Certified Public Accountants (AICPA)

and the New York State Society of Certified Public Accountants. We have concluded that Ira should serve on our board based upon his extensive professional accounting and financial expertise, which allow him to provide key contributions to the Board on financial, accounting, corporate governance and strategic matters.

Board of Directors

Our board of directors currently consists of seven directors. Except for Ira Zecher, Starlette Johnson, Saed Mohseni and Doug Schmick, our directors were elected as directors pursuant to our stockholders' agreement. The provisions of the agreement regarding the right of certain of our stockholders to nominate and elect members of the board terminated upon the consummation of our IPO. See Item 13. "Certain Relationships and Related Transactions, and Director Independence—Stockholders Agreement."

In connection with our IPO, our bylaws were amended and restated to provide that the authorized number of directors may be changed only by resolution of the board of directors, and our amended and restated certificate of incorporation divided our board

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into three classes with staggered three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election or until their earlier death, resignation or removal.

Our amended and restated certificate of incorporation provides that directors may only be removed for cause. To remove a director for cause, 66 2/3% of the voting power of the outstanding voting stock must vote as a single class to remove the director at an annual or special meeting. The certificate also provides that, if a director is removed or if a vacancy occurs due to either an increase in the size of the board or the death, resignation, disqualification or other cause, the vacancy will be filled solely by the affirmative vote of a majority of the remaining directors then in office, even if less than a quorum remain.

This classification of the board of directors, together with the ability of the stockholders to remove our directors only for cause and the inability of stockholders to call special meetings, may have the effect of delaying or preventing a change in control or management.

Director Independence and Former Controlled Company Status

Our board of directors will review at least annually the independence of each director. During these reviews, the board will consider transactions and relationships between each director (and his or her immediate family and affiliates) and our company and its management to determine whether any such transactions or relationships are inconsistent with a determination that the director is independent. This review will be based primarily on responses of the directors to questions in a directors' and officers' questionnaire regarding employment, business, familial, compensation and other relationships with the Company and our management. Our board of directors has determined that each of Ira Zecher, Starlette Johnson, Saed Mohseni and Doug Schmick are independent within the meaning of the Nasdaq Marketplace Rules. As required by the Nasdaq Global Select Market, a majority of our directors are independent and our independent directors meet in regularly scheduled executive sessions at which only independent directors are present.

Corporate Governance

We believe that good corporate governance is important to ensure that, as a public company, we will be managed for the long-term benefit of our stockholders. We and our board of directors have been reviewing the corporate governance policies and practices of other public companies, as well as those suggested by various authorities in corporate governance. We have also considered the provisions of the Sarbanes-Oxley Act and the rules of the SEC and the Nasdaq Global Select Market.

Based on this review, we have established and adopted, charters for the audit committee, compensation committee and nominating and corporate governance committee, as well as a code of business conduct and ethics applicable to all of our directors, officers and employees.

Board Committees

Our board of directors has three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each committee are described below. Members will serve on these committees until their resignation or until otherwise determined by our board of directors.

Audit Committee

Our audit committee is a standing committee of our board of directors. The functions of our audit committee include:

- appointing and determining the compensation for our independent auditors;
- establishing procedures for the receipt, retention and treatment of complaints regarding internal accounting controls; and
- reviewing and overseeing our independent registered public accounting firm.

Our audit committee currently consists of Ira Zecher, Starlette Johnson and Saed Mohseni, with Ira Zecher serving as chairman. All of our audit committee members are independent as defined by Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act") and the Nasdaq Marketplace Rules. We are also required to have at least one audit committee financial expert. Our board of directors has determined that Ira Zecher is an audit committee financial expert.

Our board of directors has adopted a written charter under which the audit committee operates. A copy of the charter, which satisfies the applicable standards of the SEC and the Nasdaq Global Select Market, is available on our website.

Compensation Committee

Our compensation committee is a standing committee of our board of directors. The compensation committee's functions include:

- reviewing and recommending to our board of directors the salaries and benefits for our executive officers;
- recommending overall employee compensation policies; and
- administering our equity compensation plans.

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Our compensation committee currently consists of Ira Zecher, Doug Schmick and Saed Mohseni, with Doug Schmick serving as chairman. All members of our compensation committee are independent as defined by Section 10(c) of the Exchange Act, Rule 10C of the Exchange Act Rules and the Nasdaq Marketplace Rules.

Our board of directors has adopted a written charter under which the compensation committee operates. A copy of the charter, which satisfies the applicable standards of the SEC and the Nasdaq Global Select Market, is available on our website.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is a standing committee of our board of directors. The functions of our nominating and corporate governance committee include:

- identifying individuals qualified to serve as members of our board of directors;

- recommending to our board nominees for our annual meetings of stockholders;

- evaluating our board's performance;

- developing and recommending to our board corporate governance guidelines; and

- providing oversight with respect to corporate governance and ethical conduct.

Our nominating and corporate governance committee consists of Starlette Johnson and Doug Schmick, with Starlette Johnson serving as the committee chairman. All members of our nominating and corporate governance committee are independent as defined by the Nasdaq Marketplace rules.

Our board of directors has adopted a written charter under which the nominating and corporate governance committee will operate. A copy of the charter, which satisfies the applicable standards of the SEC and the Nasdaq Global Select Market, is available on our website.

Other Committees

Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions ("covered persons"). A current copy of the code is posted on our website, which is located at www.chuys.com. Any amendments to or waivers from a provision of our code of conduct and ethics that applies to our covered persons and that relates to the elements of Item 406(b) of Regulation S-K will be disclosed on our Internet website promptly following the date of such amendment or waiver.

Board Leadership Structure and Board's Role in Risk Oversight

Michael Young and John Zapp serve as Non-Executive Co-Chairmen of our board of directors. We support separating the positions of Chief Executive Officer and Chairman to allow our Chief Executive Officer to focus on our day-to-day business, while allowing the Co-Chairmen to lead our board of directors in its fundamental role of providing advice to, and oversight of, management. Our board of directors recognizes the time, effort and energy that the Chief Executive Officer is required to devote to his position in the current business environment, as well as the commitment required to serve as one of our Co-Chairmen, particularly as our board of directors' oversight responsibilities continue to grow. Our board of directors also believes that this structure ensures a greater role for the non-management directors in the oversight of our company and establishing priorities and procedures for the work of our board of directors.

While our amended and restated bylaws do not require that our Co-Chairmen and Chief Executive Officer positions be separate, our board of directors believes that having separate positions and having non-employee directors serve as Co-Chairmen is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance.

Risk is inherent with every business and we face a number of risks as outlined in Item 1a. "Risk Factors." Management is responsible for the day-to-day management of risks we face, while our board of directors, as a whole and through our audit committee, is responsible for overseeing our management and operations, including overseeing its risk assessment and risk management functions. Our board of directors has delegated responsibility for reviewing our policies with respect to risk assessment and risk management to our audit committee through its charter. Our board of

directors has determined that this oversight responsibility can be most efficiently performed by our audit committee as part of its overall responsibility for providing independent, objective oversight with respect to our accounting and financial reporting functions, internal and external audit functions and systems of internal controls over financial reporting and legal, ethical and regulatory compliance. Our audit committee will regularly report to our board of directors with respect to its oversight of these areas.

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Limitations of Liability and Indemnification of Directors and Officers

We are incorporated under the laws of the State of Delaware. Section 145 of the Delaware General Corporation Law (“DGCL”) provides that a Delaware corporation may indemnify any persons who are, or are threatened to be made, parties to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person was an officer, director, employee or agent of such corporation, or is or was serving at the request of such person as an officer, director, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation’s best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. A Delaware corporation may indemnify any persons who are, or are threatened to be made, a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys’ fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation’s best interests except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses that such officer or director has actually and reasonably incurred. Our certificate of incorporation and our bylaws provide for the indemnification of our directors and officers to the fullest extent permitted under the DGCL. Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director, except for liability for any:

- transaction from which the director derives an improper personal benefit;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares; or
- breach of a director’s duty of loyalty to the corporation or its stockholders.

Our certificate of incorporation and bylaws include such a provision. Expenses incurred by any officer or director in defending any such action, suit or proceeding in advance of its final disposition shall be paid by us upon delivery to us of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified by us.

Section 174 of the DGCL provides, among other things, that a director who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption may be held liable for such actions. A director who was either absent when the unlawful actions were approved, or dissented at the time, may avoid liability by causing his or her dissent to such actions to be entered in the books containing minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

Indemnification Agreements

We have entered into indemnification agreements with each of our current directors and executive officers. These agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We also intend to enter into indemnification agreements with our future directors and executive officers.

Section 16(a) Beneficial Ownership Reporting Compliance

Compliance with Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company’s executive officers and directors and persons who own more than 10% of a registered class of its equity securities to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than 10% stockholders are

required by SEC rules to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on a review of the copies of such forms furnished to the Company, the Company believes that during 2013, all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% stockholders were in compliance with Section 16(a), except that Michael Hatcher, Susan Kittrell, Steve Hislop, Sharon Russell, and Ted Zapp were each late in filing one required report on Form 4 relating to one transaction each and Frank Biller was late in filing two required reports on Form 4 related to two transactions.

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ITEM 11. EXECUTIVE COMPENSATION

Introduction

This compensation discussion provides an overview of our executive compensation program, together with a description of the material factors underlying the decisions that resulted in the compensation provided to our chief executive officer, chief financial officer and our three other highest paid executive officers during fiscal year 2013 (collectively, the “named executive officers”), as presented in the tables which follow this discussion. This discussion contains statements regarding our performance targets and goals. These targets and goals are disclosed in the limited context of our compensation program and should not be understood to be statements of management’s expectations or estimates of financial results or other guidance. We specifically caution investors not to apply these statements to other contexts.

Objective of Compensation Policy

The objective of our compensation policy is to provide a total compensation package to each named executive officer that will enable us to:

- attract, motivate and retain outstanding individuals;
- reward named executive officers for performance; and
- align the financial interests of each named executive officer with the interests of our stockholders to encourage each named executive officer to contribute to our long-term performance and success.

Overall, our compensation program is designed to reward both individual and company performance. A significant portion of each of our named executive officers’ annual compensation is comprised of discretionary and performance-based bonuses. While we have not used significant amounts of equity-based compensation in the past, we intend to increase our use of long-term incentives to reward long-term company and individual performance and to promote retention through delayed vesting of awards.

Administration

Our compensation committee, which is comprised exclusively of independent directors, oversees our executive compensation program and is responsible for approving or recommending to the board the nature and amount of the compensation paid to, and any employment and related agreements entered into with, our named executive officers. The committee also administers our equity compensation plans and awards. Additionally, we are subject to Section 162(m) of the Internal Revenue Code (the “Code”), and the members of our compensation committee qualify as outside directors under Section 162(m) of the Code to enable us to maintain the deductibility of compensation we pay.

Process for Setting Total Compensation

At the first meeting of each new fiscal year, our compensation committee sets annual base salaries, determines the amount of discretionary and performance-based bonuses for the prior year and sets performance criteria for our performance-based bonuses for the following year. In making these compensation decisions, our compensation committee considers the recommendations of our chief executive officer, particularly with respect to salary adjustments, discretionary and performance-based bonus targets and awards and equity incentive awards of our other named executive officers. Our compensation committee meets with our chief executive officer at least annually to discuss and review his recommendations for compensation of our executive officers, excluding himself. When making individual compensation decisions for our named executive officers, the compensation committee takes many factors into account, including the officer’s experience, responsibilities, management abilities and job performance, our performance as a whole, current market conditions and competitive pay levels for similar positions at comparable companies. These factors are considered by the compensation committee in a subjective manner without any specific formula or weighting.

When hiring named executive officers, our compensation committee sets their compensation based on the individual’s position and responsibilities and their compensation package at their previous company. At the time of hire, we have granted equity awards to new executives at a level that the compensation committee believes is appropriate to motivate that named executive officer to accomplish the individual goals for their position as well as our company objectives. For new named executive officers, bonuses are pro rated based on the portion of the year during which the executive was employed by us.

During its annual review process, our compensation committee has set compensation for each named executive officer at a level we believe is appropriate considering each named executive officer's annual review, level of responsibility, the awards and compensation paid to the named executive officer in past years and progress toward or attainment of previously set personal and corporate goals and objectives, including attainment of financial performance goals and such other factors as the compensation committee has deemed appropriate and in our best interests and the best interests of our stockholders. The compensation committee has given different weight at different times to different factors for each named executive officer. Our performance criteria are discussed more fully below under the heading "—Bonus Compensation—Performance-Based Bonus." Other than with respect to our performance-based bonuses, the compensation committee has not relied on predetermined formulas or a limited set of criteria when it evaluates the performance of our named executive officers.

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The charter of the compensation committee authorizes the committee to engage independent consultants at any time at the expense of the company. The committee has retained Mercer as its independent compensation consultant for 2014. Mercer reports directly to the committee and performs no other work for the company. The committee assessed the independence of Mercer and concluded that its work did not raise any conflict of interest with the company. Mercer was engaged to:

- Advise the committee on named executive officer and director pay decisions;
- Assist in short-term and long-term incentive plan design;
- Conduct compensation reviews and make recommendations regarding both executive and director pay structures;
- Provide periodic updates on current trends, technical and regulatory developments and best practices in compensation design; and
- Perform any other tasks which the committee may request from time to time.

Elements of Compensation

Our compensation program for named executive officers consists of the following elements of compensation, each described in greater depth below:

• Base salaries.

• Discretionary and performance-based bonuses.

• Equity-based incentive compensation.

• Severance and change-in-control benefits.

• Perquisites.

• General benefits.

• Employment agreements.

We may, from time to time, enter into written agreements to reflect the terms and conditions of employment of a particular named executive officer, whether at the time of hire or thereafter. We consider entering into these agreements when it serves as a meaningful recruitment and retention mechanism. We currently have employment agreements in place with each of our named executive officers. See Item 11. "Executive Compensation—Employment Agreements" for additional information regarding our executive officer's employment agreements.

Base Salary

NAME	2013 SALARY (\$)(1)
Steve Hislop	\$410,800
Jon Howie	260,000
Sharon Russell	187,200
Frank Biller	176,800
Michael Hatcher	166,400

(1) Represents each officer's annual base salary assuming service with us for the entire fiscal year.

We pay base salaries to attract, recruit and retain qualified employees. Our compensation committee reviews and sets base salaries of our named executive officers annually. These salary levels are and will continue to be set based on the named executive officer's experience and performance with previous employers and negotiations with individual named executive officers. The compensation committee may increase base salaries each year based on its subjective assessment of our company's and the individual executive officer's performance and each named executive officer's experience, length of service and changes in responsibilities. The weight given such factors by the compensation committee may vary from one named executive officer to another.

In the first quarter of 2013, our named executive officers received an average pay increase of approximately 4%. The compensation committee determined that these raises were appropriate in light of company and individual performance, increases in individual responsibilities and the role of salary in our named executive officers' compensation package.

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Bonus Compensation

NAME	PERFORMANCE-BASED BONUS				
	DISCRETIONARY	THRESHOLD	TARGET	MAXIMUM	ACTUAL
	AWARD	AWARD	AWARD	AWARD	AWARD
	(\$)	(\$)	(\$)	(\$)	(\$)
Steve Hislop	\$1,000	\$—	\$205,400	\$410,800	\$232,511
Jon Howie	1,000	—	130,000	260,000	147,159
Sharon Russell	1,000	—	56,160	112,320	63,573
Frank Biller	1,000	—	53,040	106,080	60,041
Michael Hatcher	1,000	—	49,920	99,840	56,509
Ted Zapp (1)	1,000	—	45,172	90,344	51,134

On July 25, 2013, after expressing a desire to reduce his role with the Company, Mr. Ted Zapp resigned from his (1) position as Vice President of Operations. Mr. Zapp will remain employed by the Company in an advisory role and will continue to assist with the operational development of the Company.

Performance-Based Bonus

In line with our strategy of rewarding performance, our executive compensation program includes performance-based bonuses to named executive officers under our cash bonus plan, which complies with Section 162(m) of the Code. Our compensation committee establishes annual target performance-based bonuses for each named executive officer during the first quarter of the year.

The target and maximum performance-based bonuses have been set at levels our compensation committee believes will provide a meaningful incentive to achieve company and individual goals and contribute to our financial performance. In 2013, the target and maximum performance-based bonus that each named executive officer could receive were set at 50% and 100%, respectively, of our Chief Executive Officer's and Chief Financial Officer's annual base salary and 30% and 60%, respectively, of our other named executive officers' annual base salaries. No bonus is paid if actual Company Adjusted EBITDA is 95% or less of budget Company Adjusted EBITDA. To the extent that actual Company Adjusted EBITDA exceeds 95% of budget Company Adjusted EBITDA, the plan provides that we will pay a bonus based on where performance falls on a linear basis between 95% and 100% of budget Company Adjusted EBITDA and between 100% and 110% of budget Company Adjusted EBITDA. In each circumstance, the compensation committee retains discretion to adjust the amount paid under the plan based on individual and company circumstances. If our budget Company Adjusted EBITDA is achieved, each individual will earn 100% of their target bonus.

This performance bonus is determined based primarily on the extent to which we achieve our budget Company Adjusted EBITDA goal. Company Adjusted EBITDA is our earnings before interest, taxes, depreciation and amortization plus any loss on sales of asset (less any gain on a sale of assets); stock-based compensation; management fees; and certain non-cash and other adjustments. For each 1.0% that actual Company Adjusted EBITDA is above or below budget Company Adjusted EBITDA, the percentage of the target they receive will increase by 10% or decrease by 20%, respectively, of the Company Adjusted EBITDA portion of their target bonus. For example, if actual Company Adjusted EBITDA is 1% above budget Company Adjusted EBITDA, the named executive officers will receive 1.1 times their target bonus. The maximum a named executive officer may receive for Company Adjusted EBITDA performance is 2.0 times their target bonus. We use our Company Adjusted EBITDA, together with financial measures prepared in accordance with GAAP, such as revenue, net income and cash flows from operations, to assess our historical and prospective operating performance and to enhance our understanding of our core operating performance. We also use our Company Adjusted EBITDA internally to evaluate the performance of our personnel and also as a benchmark to evaluate our operating performance or compare our performance to that of our competitors. The use of our Company Adjusted EBITDA as a performance measure permits a comparative assessment of our operating performance relative to our performance based on our GAAP results, while isolating the effects of some items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies.

Target, maximum and actual performance-based bonuses for 2013 for each of the named executive officers are shown in the table above and in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.

Discretionary Bonus

Our compensation committee does not intend to regularly pay discretionary bonuses. Historically, each of our named executive officers has also received a \$1,000 holiday bonus each December. The discretionary bonuses awarded to our named executive officers in 2013 are set forth in the "Bonus" column of the Summary Compensation Table.

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Equity Compensation

We pay equity-based compensation to our named executive officers because it links our long-term results achieved for our stockholders and the rewards provided to named executive officers, thereby ensuring that such officers have a continuing stake in our long-term success.

Historically, we have granted equity awards to our named executive officers in conjunction with significant transactions and in conjunction with a named executive officer's initial hire or promotion to an executive position. We have provided this equity compensation to reward performance as well as to promote retention through delayed vesting. We believe that by weighting total compensation in favor of discretionary and performance-based bonuses, we have appropriately rewarded individual achievement while at the same time providing incentives to promote company performance. In the future, we plan to increase our use of long-term equity incentives, particularly through grants of stock options and unrestricted stock units under our 2012 Omnibus Equity Incentive Plan (the "2012 Plan"), to further align the interests of our executives with those of stockholders. In addition to stock options and restricted stock units, the 2012 Plan provides for the issuance of share appreciation rights, restricted shares, deferred shares, performance shares and other share based awards. In the future, we may consider granting other forms of equity to our named executive officers. For additional information regarding our 2012 Plan, see "—2012 Omnibus Equity Incentive Plan."

We adopted the 2012 Plan as insufficient shares were available under the 2006 Stock Option Plan (the "2006 Plan"), which was adopted in November 2006, in order to provide an incentive to employees selected by the board of directors for participation. In connection with the adoption of the 2012 Plan, we terminated the 2006 Plan, and no further awards will be granted under the 2006 Plan. The termination of the 2006 Plan will not affect awards outstanding under the 2006 Plan at the time of its termination and the terms of the 2006 Plan will continue to govern outstanding awards granted under the 2006 Plan.

Options granted after 2006 held by each of the named executive officers (and certain of our other salaried employees) ordinarily vest ratably over a period of five years, subject to the applicable named executive officer remaining employed through each vesting date. The equity awards granted to our named executive officers in 2006 vest with respect to 60%, 20% and 20% of the shares subject to the awards on the third, fourth and fifth anniversaries, respectively, of the date of grant of the awards. We believe that the delayed vesting terms promote retention. We will make grants of stock options to the current named executive officers and other employees under the 2012 Plan. We will make these grants to the current named executive officers and other employees because we believe that we should provide our employees an opportunity to share in our success provided they continue to contribute to our success.

In the first quarter of 2014, the compensation committee determined it would grant restricted stock units in addition to stock options as part of the Company's equity compensation package. In the future, the compensation committee may grant stock options, restricted stock units or a combination of both.

Severance and Transaction-Based Benefits

We currently have employment agreements in place with all of our named executive officers that provide termination or severance benefits. We agreed to pay termination or severance benefits in the event of an executive's termination by us without cause as a retention incentive. We believe this level of severance benefit provides our executives with the assurance of security if their employment is terminated for reasons beyond their control. For additional information on the severance benefits provided under the employment agreements with our executive officers see "—Employment Agreements."

Upon a change in control, our named executive officers' equity awards granted under the 2006 Plan would vest. The amount each named executive would be entitled to receive in the event of a termination is reported below under the heading "—Potential Payments upon Termination or Change in Control."

Perquisites

In 2013, we provided complimentary dining as a personal-benefit perquisite to named executive officers. The aggregate incremental cost to us of the perquisites received by each of the named executive officers in 2013 did not exceed \$10,000 and, accordingly, this benefit is not included in the Summary Compensation Table below. We provide the named executive officers with complimentary dining privileges at our restaurants. We view complimentary dining

privileges as a meaningful benefit to our named executive officers as it is important for named executive officers to experience our products and services in order to better perform their duties for us.

General Benefits

We provide a limited number of personal benefits to our named executive officers. Our named executive officers participate in our health and benefit plans, and are entitled to vacation and paid time off based on our general vacation policies.

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The following are standard benefits offered to all of our eligible employees, including the named executive officers.

Retirement Benefits. We maintain a tax-qualified 401(k) savings plan. Employees are eligible after one year of service and may defer up to the maximum amount allowable by the IRS.

Medical, Dental, Life Insurance and Disability Coverage. Active employee benefits such as medical, dental, life insurance and disability coverage are available to all eligible employees, including our named executive officers.

Moving Costs. We will reimburse out-of-pocket moving expenses for eligible executive officers in conjunction with their hiring.

Other Paid Time Off Benefits. We also provide vacation and other paid holidays to all employees, including the named executive officers, which we believe are appropriate for a company of our size and in our industry.

Employment Agreements

We entered into employment agreements with Messrs. Hislop, Howie, Biller and Hatcher and Mrs. Russell. The employment agreements do not provide for a fixed term.

The employment agreements provide that Messrs. Hislop, Howie, Biller and Hatcher and Mrs. Russell, will receive an annual base salary of at least \$366,608, \$250,000, \$162,692, \$149,205 and \$167,094, respectively. Mr. Hislop and Mr. Howie are each eligible to receive a target annual bonus of 50% of their annual base salary, based upon the achievement of goals and objectives determined by our compensation committee with a minimum and maximum bonus of 0% and 100% of their annual base salary, respectively. Messrs. Biller and Hatcher and Mrs. Russell are each eligible to receive a target annual bonus of 30% of their annual base salary, based upon the achievement of goals and objectives determined by our compensation committee with a minimum and maximum bonus of 0% and 60% of their annual base salary respectively. The employment agreements provide that each executive will be eligible to participate in employee plans, including 401(k), medical and dental plans, made available to our other senior executives generally.

Each employment agreement provides for severance benefits if the executive's employment is terminated without cause (as defined in the employment agreement), subject to the executive's compliance with certain confidentiality, non-compete, non-solicitation and non-disparagement obligations and the execution of a general release of claims. In the event Mr. Hislop's employment is terminated without cause, he is entitled to continue to receive his base salary for two years following the termination of his employment. In the event that the employment of Messrs. Biller, Hatcher and Howie or Mrs. Russell, is terminated, each is entitled to continue to receive one year's base salary following their termination. In the event of termination, all of our executive officers are entitled to continue to receive the amount that the Company was subsidizing for the executive and his or her dependents' medical and dental insurance coverage during the same period the executive is entitled to continue to receive his or her base salary after his termination.

Tax and Accounting Considerations

U.S. federal income tax generally limits the tax deductibility of compensation we pay to our executive officers to \$1.0 million in the year the compensation becomes taxable to the executive officers. There is an exception to the limit on deductibility for performance-based compensation that meets certain requirements. Although deductibility of compensation is preferred, tax deductibility is not a primary objective of our compensation programs. Rather, we seek to maintain flexibility in how we compensate our executive officers so as to meet a broader set of corporate and strategic goals and the needs of stockholders, and as such, we may be limited in our ability to deduct amounts of compensation from time to time. Accounting rules require us to expense the cost of our stock option grants. Because of option expensing and the impact of dilution on our stockholders, we pay close attention to, among other factors, the type of equity awards we grant and the number and value of the shares underlying such awards.

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Summary Compensation Table

NAME & PRINCIPAL POSITION	YEAR	SALARY (\$)	BONUS (\$)	OPTION AWARDS (\$)(1)	NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)	ALL OTHER COMPENSATION (\$)(2)	TOTAL COMPENSATION (\$)
Steve Hislop	2013	\$408,977	\$1,000	\$438,000	\$ 232,511	\$ —	\$ 1,080,488
President, Chief	2012	392,316	1,000	—	395,000	—	788,316
Executive Officer and Director	2011	366,608	1,000	—	201,200	—	568,808
Jon Howie	2013	258,920	1,000	—	147,159	—	407,079
Vice President and	2012	250,480	1,000	258,393	250,000	—	759,873
Chief Financial Officer	2011	91,383	1,000	—	51,451	—	143,834
Sharon Russell	2013	186,369	1,000	109,500	63,573	—	360,442
Secretary and Chief	2012	178,805	1,000	—	108,000	—	287,805
Administrative Officer	2011	167,094	1,000	—	55,022	—	223,116
Frank Biller	2013	176,016	1,000	109,500	60,041	—	346,557
Vice President of	2012	169,343	1,000	—	102,000	—	272,343
Operations, Southeast Region	2011	162,692	1,000	—	53,573	—	217,265
Michael Hatcher	2013	165,661	1,000	109,500	56,509	—	332,670
Vice President of	2012	159,006	1,000	—	96,000	—	256,006
Real Estate and Development	2011	149,205	1,000	—	49,132	—	199,337
Ted Zapp	2013	150,092	1,000	109,500	51,134	—	311,726
Vice President of	2012	178,805	1,000	—	108,000	—	287,805
Operations (3)	2011	167,094	1,000	—	55,022	—	223,116

Represents the aggregate grant date fair value, calculated in accordance with FASB Accounting Standards

(1) Codification ("ASC") Topic 718, for awards of options. See note 10 to our consolidated financial statements for a discussion of the calculations of grant date fair value.

(2) All other compensation is less than \$10,000.

On July 25, 2013, after expressing a desire to reduce his role with the Company, Mr. Ted Zapp resigned from his position as Vice President of Operations. Mr. Zapp will remain employed by the Company in an advisory role and

(3) will continue to assist with the operational development of the Company. The Company's compensation committee has determined that Mr. Zapp's outstanding equity awards granted under the 2012 Plan will continue to vest until he is no longer employed by the Company.

Grants of Plan-Based Awards

NAME	GRANT DATE	ESTIMATED FUTURE PAYOUTS UNDER NON-EQUITY INCENTIVE PLAN AWARDS			ALL OTHER OPTION AWARDS: NUMBER OF SECURITIES UNDERLYING OPTIONS	EXERCISE OR BASE PRICE OF OPTION AWARDS (\$/SH)	GRANT DATE FAIR VALUE OF STOCK AND OPTION AWARDS (\$)(1)
		THRESHOLD (\$)	TARGET (\$)	MAXIMUM (\$)			
Steve Hislop	2/28/2013	\$—	\$205,400	\$410,800	40,000	\$28.51	\$438,000
Jon Howie		—	130,000	260,000	—	—	—
Sharon Russell	2/28/2013	—	56,160	112,320	10,000	28.51	109,500
Frank Biller	2/28/2013	—	53,040	106,080	10,000	28.51	109,500

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Michael Hatcher	2/28/2013	—	49,920	99,840	10,000	28.51	109,500
Ted Zapp	2/28/2013	—	45,172	90,344	10,000	28.51	109,500

Represents the aggregate grant date fair value, calculated in accordance with FASB ASC Topic 718, for awards of (1) options. See note 10 to our consolidated financial statements for a discussion of the calculations of grant date fair value.

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2012 Omnibus Equity Incentive Plan

Prior to the completion of our IPO, we adopted the 2012 Plan. The purposes of the 2012 Plan are to provide additional incentives to our management, employees, directors, independent contractors and consultants, to strengthen their commitment, motivate them to faithfully and diligently perform their responsibilities and to attract and retain competent and dedicated persons whose contributions are essential to the success of our business and whose efforts will impact our long-term growth and profitability. To accomplish such purposes, the 2012 Plan provides for the issuance of stock options, share appreciation rights, restricted shares, deferred shares, performance shares and other share-based awards, which we refer to as plan awards.

Summary of 2012 Plan Terms

We reserved a total of 1,250,000 shares of common stock that are available for issuance under the 2012 Plan. When Section 162(m) of the Code becomes applicable to us, the maximum aggregate awards that may be granted during any fiscal year to any individual will be 200,000 shares, and in the case of options to acquire shares, with a per share exercise price equal to the grant date fair market value of a share. If the shares underlying any plan award are forfeited, cancelled, exchanged or surrendered or if a plan award otherwise terminates or expires without a distribution of shares, the shares will again become available under the 2012 Plan provided that shares surrendered or withheld as payment of either the exercise price of an award (including shares otherwise underlying an award of a share appreciation right that are retained by us to account for the grant price of such share appreciation right) and/or withholding taxes in respect of an award will no longer be available for grant under the 2012 Plan, and notwithstanding that a share appreciation right is settled by the delivery of a net number of shares of the full number of shares underlying such share appreciation right will not be available for subsequent awards under the 2012 Plan. In addition, awards are paid or settled in cash, the number of shares with respect to which such payment or settlement is made will again be available for grants of awards under the 2012 Plan and shares underlying awards that can only be settled in cash will not be counted against the aggregate number of shares available for awards under the 2012 Plan. The 2012 Plan will be administered by our compensation committee (the plan administrator). The plan administrator may construe and interpret the 2012 Plan and may adopt, alter and repeal rules and make all other determinations necessary or desirable to administer the 2012 Plan.

The plan administrator may select the employees, directors, independent contractors and consultants who will receive plan awards, determine the terms and conditions of those awards, including but not limited to the exercise price, the number of shares of common stock subject to awards, the term of the awards, and the vesting schedule applicable to awards. Unless otherwise determined by the plan administrator, all awards that vest solely on a requirement of continued employment or service may not become fully vested prior to the second anniversary of the date upon which the award is granted.

We may issue stock options under the 2012 Plan. All stock options granted under the 2012 Plan are intended to be non-qualified stock options and are not intended to qualify as incentive stock options within the meaning of Section 422 of the Code. The option exercise price of all stock options granted under the 2012 Plan will be determined by the plan administrator, but in no event will the exercise price be less than 100% of the fair market value of the common stock on the date of grant. The term of all stock options granted under the 2012 Plan will be determined by the plan administrator, but may not exceed ten years from the date of grant. Each stock option will be exercisable at such time and subject to such terms and conditions as determined by the plan administrator in the applicable stock option agreement. Other than equitable adjustments made in connection to a change in capitalization, under no circumstances will an exercise price be reduced following the date of the grant of an option, nor will an option be cancelled in exchange for a replacement option with a lower exercise price without stockholder approval.

Unless the applicable stock option agreement provides otherwise, in the event of an optionee's termination of employment or service for any reason other than for cause, disability or death, such optionee's stock options (to the extent exercisable at the time of such termination) generally will remain exercisable until 30 days after such termination and then expire. Unless the applicable stock option agreement provides otherwise, in the event of an optionee's termination of employment or service due to, disability or death, such optionee's stock options (to the extent exercisable at the time of such termination) generally will remain exercisable until one year after such termination and will then expire. For certain employees, a demotion in position will result in a loss of unvested options. If termination

was for any other reason other than for cause, stock options that were not exercisable on the date of termination will expire at the close of business on the date of such termination. In the event of an optionee's termination of employment or service for cause, such optionee's outstanding stock options will expire at the commencement of business on the date of such termination. The plan administrator may waive the vesting requirements based on such factors as the plan administrator deems appropriate.

Share appreciation rights ("SARs") may be granted under the 2012 Plan either alone or in conjunction with all or part of any stock option granted under the 2012 Plan. A free-standing SAR granted under the 2012 Plan entitles its holder to receive, at the time of exercise, the number of shares, or alternate form of payment determined by the plan administrator, equal in value to the excess of the fair market value (at the date of exercise) over a specified price fixed by the plan administrator (which shall be no less than fair market value at the date of grant). A SAR granted in conjunction with all or part of an option under the 2012 Plan entitles its holder to receive, upon surrendering of the related option, the number of shares, or alternate form of payment determined by the

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plan administrator, equal in value to the excess of the fair market value (at the date of exercise) over the exercise price of the related stock option. The term of all SARs granted under the 2012 Plan will be determined by the plan administrator, but may not exceed ten years from the date of grant. In the event of a participant's termination of employment or service, free-standing SARs will be exercisable at such times and subject to such terms and conditions determined by the plan administrator, while SARs granted in conjunction with all or part of an option will be exercisable at such times and subject to terms and conditions applicable to the related option. Other than equitable adjustments made in connection to a change in capitalization, under no circumstances will an exercise price be reduced following the date of the grant of a SAR, nor will a SAR be cancelled in exchange for a replacement SAR with a lower exercise price without stockholder approval.

Restricted shares, deferred shares and performance shares may be granted under the 2012 Plan. The plan administrator will determine the number of shares to be awarded, the purchase price, vesting schedule and performance objectives, if any, applicable to the grant of restricted shares, deferred shares and performance shares. Participants with restricted shares and performance shares generally have all of the rights of a stockholder and deferred shares generally do not have the rights of a stockholder. However, during the restricted period, deferred shares may be paid dividends on the number of shares covered by the deferred shares if the applicable award agreement so provides. If the performance goals and other restrictions are not satisfied, the restricted shares, deferred shares and/or performance shares will be forfeited in accordance with the terms of the grant. Subject to the provisions of the 2012 Plan and applicable award agreement, the plan administrator has sole discretion to provide for the lapse of restrictions in installments or the acceleration or waiver of restrictions (in whole or part) under certain circumstances, based upon such factors including, but not limited to, the attainment of certain performance goals, a participant's termination of employment or service or a participant's death or disability.

The 2012 Plan also authorizes grants of other share-based awards, such as unrestricted shares, restricted stock units, dividend equivalents or performance units. The plan administrator will determine the terms and conditions of such awards, consistent with the terms of the 2012 Plan, at the date of grant or thereafter, including any performance goals and performance periods.

In the case of awards subject to performance goals, such goal may be based on one or more of the following criteria:

(i) earnings, including one or more of operating income, earnings before or after taxes, earnings before or after interest, depreciation, amortization, adjusted EBITDA, economic earnings, or extraordinary or special items or book value per share (which may exclude nonrecurring items); (ii) pre-tax income or after-tax income; (iii) earnings per share (basic or diluted); (iv) operating profit; (v) revenue, revenue growth or rate of revenue growth; (vi) return on assets (gross or net), return on investment, return on capital, or return on equity; (vii) returns on sales or revenues; (viii) operating expenses; (ix) share price appreciation; (x) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (xi) implementation or completion of critical projects or processes; (xii) cumulative earnings per share growth; (xiii) operating margin or profit margin; (xiv) cost targets, reductions and savings, productivity and efficiencies; (xv) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion, customer satisfaction, employee satisfaction, human resources management, supervision of litigation, information technology, and goals relating to acquisitions, divestitures, joint ventures and similar transactions, and budget comparisons; (xvi) personal professional objectives, including any of the foregoing performance goals, the implementation of policies and plans, the negotiation of transactions, the development of long term business goals, formation of joint ventures, research or development collaborations, and the completion of other corporate transactions; and (xvii) any combination of, or a specified increase in, any of the foregoing. Where applicable, a performance goal may be expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the

particular criteria, and may be applied to one or more of the company or a company affiliate, or a division or strategic business unit of the company, or may be applied to the performance of the company relative to a market index, a group of other companies or a combination thereof, all as determined by the Administrator. The performance goals may include a threshold level of performance below which no payment may be made (or no vesting may occur), levels of performance at which specified payments may be made (or specified vesting may occur), and a maximum level of

performance above which no additional payment shall be made (or at which full vesting may occur). Each of the foregoing performance goals will determine in accordance with generally accepted accounting principles, as applicable, and may be subject to certification by the committee; provided, that the committee shall have the authority to make equitable adjustments to the performance goals, to the extent permitted under Section 162(m) of the Code, if applicable, in recognition of unusual or non-recurring events affecting the company or any company affiliate thereof or the financial statements of the company or any company affiliate thereof, in response to changes in applicable laws or regulations, or to account for items of gain, loss or expense determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business or related to a change in accounting principles.

In the event of a merger, amalgamation, consolidation, recapitalization, reorganization, stock dividend, stock split or other change in corporate structure affecting the common stock, an equitable substitution or proportionate adjustment shall be made, as may be determined by the plan administrator, in (a) the aggregate number of shares of common stock reserved for issuance under the 2012 Plan and the maximum number of shares of common stock that may be subject to awards granted to any participant in any calendar year, (b) the kind, number and exercise price subject to outstanding stock options and SARs granted under the 2012 Plan, and

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(c) the kind, number and purchase price of shares of common stock subject to outstanding awards of restricted shares, deferred shares, performance shares or other share-based awards granted under the 2012 Plan. In addition, the plan administrator, in its discretion, may terminate all outstanding awards for the payment of cash or in-kind consideration. However, no adjustment or payment may cause any award under the 2012 Plan that is or becomes subject to Section 409A of the Code to fail to comply with the requirements of that section.

Unless otherwise determined by the plan administrator and evidenced in an award agreement, in the event that a change in control occurs and a participant's employment or service is terminated without cause on or after the effective date of the change in control but prior to 12 months following the change in control, then any unvested or unexercisable portion of any award carrying a right to exercise shall become fully vested and exercisable, and the restrictions, deferral limitations, payment conditions and forfeiture conditions applicable to an award granted under the 2012 Plan will lapse and such unvested awards will be deemed fully vested and any performance conditions imposed with respect to such awards will be deemed to be fully achieved at the target level. Under the 2012 Plan, the term change in control generally means: (a) any person other than the company, any company affiliate or subsidiary, becomes the beneficial owner, directly or indirectly, of securities representing 50% or more of our then-outstanding voting power (excluding shares purchased directly from us or our affiliates); (b) a change in the majority of the membership of our board of directors other than directors approved by two-thirds of the directors (other than directors assuming office in conjunction with an election contest) who constituted the board of directors at the time our IPO was consummated, or whose election was previously so approved; (c) the consummation of a merger, amalgamation or consolidation of us or any of our subsidiaries with any other corporation, other than a merger or amalgamation immediately following which our board of directors immediately prior to the merger or amalgamation constitute at least a majority of the directors of the company surviving or continuing after the merger or amalgamation or, if the surviving company is a subsidiary, the ultimate parent thereof; or (d) our stockholders approve a plan of complete liquidation or dissolution of our company or there is consummated an agreement for the sale or disposition of all or substantially all of our assets, other than (1) a sale of such assets to an entity, at least 50% of the voting power of which is held by our stockholders following the transaction in substantially the same proportions as their ownership of the company immediately prior to the transaction or (2) a sale or disposition of such assets immediately following which our board of directors immediately prior to such sale constitute at least a majority of the board of directors of the entity to which the assets are sold or disposed, or, if that entity is a subsidiary, the ultimate parent thereof. The completion of our IPO and our secondary offering were not a change of control under the 2012 Plan.

Until such time as the awards are fully vested and/or exercisable in accordance with the 2012 Plan, awards may not be sold, assigned, mortgaged, hypothecated, transferred, charged, pledged, encumbrance, gifted, transferred in trust (voting or other) or disposed in any other manner, except with the prior written consent of the administrator, which consent may be granted or withheld in the sole discretion of the plan administrator.

The 2012 Plan provides our board of directors with authority to suspend or terminate the 2012 Plan or any award, or revise and amend the 2012 Plan. However, stockholder approval is required for any amendment to the extent it is required to comply with applicable law or stock exchange listing requirements. The 2012 Plan will automatically terminate on the tenth anniversary of the effective date (although awards granted before that time will remain outstanding in accordance with their terms).

The award agreements for the 2012 Plan provide the board of directors and the plan administrator with the sole discretion to cancel or require repayments of awards in the event an award recipient engages in certain conduct deemed harmful to the Company.

United States Federal Income Tax Consequences of Plan Awards

The following is a summary of certain United States Federal income tax consequences of awards under the 2012 Plan. It does not purport to be a complete description of all applicable rules, and those rules (including those summarized here) are subject to change.

An optionee generally will not recognize taxable income upon the grant of a non-qualified stock option. Rather, at the time of exercise of such non-qualified stock option, the optionee will recognize ordinary income for income tax purposes in an amount equal to the excess of the fair market value of the shares purchased over the exercise price. We generally will be entitled to a tax deduction at such time and in the same amount that the optionee recognizes ordinary

income. If shares acquired upon exercise of a non-qualified stock option are later sold or exchanged, then the difference between the amount received upon such sale or exchange and the fair market value of such shares on the date of such exercise will generally be taxable as long-term or short-term capital gain or loss (if the shares are a capital asset of the optionee) depending upon the length of time such shares were held by the optionee.

A participant who is granted a share appreciation right will not recognize ordinary income upon receipt of the share appreciation right. At the time of exercise, however, the participant will recognize compensation income equal to the value of any cash received and the fair market value on the date of exercise of any shares received. We will not be entitled to a deduction upon the grant of a share appreciation right, but generally will be entitled to a compensation deduction for the amount of compensation income the participant recognizes upon the participant's exercise of the share appreciation right. The participant's tax basis in any shares received will be the fair market value on the date of exercise and, if the shares are later sold or exchanged, then the difference

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between the amount received upon such sale or exchange and the fair market value of the shares on the date of exercise will generally be taxable as long-term or short-term capital gain or loss (if the shares are a capital asset of the participant) depending upon the length of time such shares were held by the participant.

A participant generally will not be taxed upon the grant of a restricted share or performance award, but rather will recognize ordinary income in an amount equal to the fair market value of the shares at the time the shares are no longer subject to a substantial risk of forfeiture (within the meaning of the Code). We generally will be entitled to a deduction at the time when, and in the amount that, the participant recognizes ordinary income on account of the lapse of the restrictions. A participant's tax basis in the shares will equal their fair market value at the time the restrictions lapse, and the participant's holding period for capital gains purposes will begin at that time. Any cash dividends paid on the shares before the restrictions lapse will be taxable to the participant as additional compensation (and not as dividend income). Under Section 83(b) of the Code, a participant may elect to recognize ordinary income at the time the restricted or performance shares are awarded in an amount equal to their fair market value at that time, notwithstanding the fact that such shares are subject to restrictions and a substantial risk of forfeiture. If such an election is made, no additional taxable income will be recognized by such participant at the time the restrictions lapse, the participant will have a tax basis in the shares equal to their fair market value on the date of their award, and the participant's holding period for capital gains purposes will begin at that time. We generally will be entitled to a tax deduction at the time when, and to the extent that, ordinary income is recognized by such participant.

In general, the grant of deferred shares will not result in income for the participant or in a tax deduction for us. Upon the settlement of such an award, the participant will recognize ordinary income equal to the aggregate value of the payment received, and we generally will be entitled to a tax deduction in the same amount.

2006 Stock Option Plan

In November 2006, we adopted the 2006 Plan. On April 6, 2012, we amended and restated the 2006 Plan to increase the number of shares available for issuance under the plan from 1,004,957 to 1,070,209. On April 10, 2012, we issued options to purchase 63,797 shares. As of April 10, 2012, we were authorized to issue up to 9,192 additional shares of common stock under the 2006 Plan. In connection with the adoption of the 2012 Plan upon the completion of our IPO as described in "—2012 Omnibus Equity Incentive Plan," the board of directors terminated the 2006 Plan effective as of July 27, 2012, and no further awards will be granted under the 2006 Plan after such date. However, the termination of the 2006 Plan will not affect awards outstanding under the 2006 Plan at the time of its termination and the terms of the 2006 Plan will continue to govern outstanding awards granted under the 2006 Plan. The options granted under the 2006 Plan expire 10 years after the date of grant. Subject to the grantee's continued employment with us, options granted on December 6, 2006 vest 60% on the third anniversary of the date of grant and 20% on each of the fourth and fifth anniversary of the date of grant. Subject to the grantee's continued employment with us, all other options granted under the plan vest 20% on each of the first five anniversaries of the date of grant.

Outstanding Equity Awards at Fiscal Year End

NAME	OPTION AWARDS			
	NUMBER OF	NUMBER OF	OPTION	OPTION
	SECURITIES	SECURITIES		
	UNDERLYING	UNDERLYING		
	UNEXERCISED	UNEXERCISED	EXERCISE	EXPIRATION
	OPTIONS (#)	OPTIONS (#)	PRICE	DATE
	EXERCISABLE	UNEXERCISABLE	(\$/SH)	
Steve Hislop	153,387	(1) —	(1) \$2.76	7/9/2017
	50,026	(1) —	(1) 10.48	7/9/2017
	—	(2) 40,000	(2) 28.51	2/28/2023
Jon Howie	19,575	(3) 29,363	(3) 13.54	4/10/2022
Sharon Russell	—	(2) 10,000	(2) 28.51	2/28/2023
Frank Biller	13,750	(5) 5,438	(5) 5.99	1/1/2019
	—	(2) 10,000	(2) 28.51	2/28/2023
Michael Hatcher	14,500	(4) —	(4) 2.76	12/6/2016

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	9,787	(6) 6,525	(6) 8.22	1/1/2020
	—	(2) 10,000	(2) 28.51	2/28/2023
Tedd Zapp	—	(2) 10,000	(2) 28.51	2/28/2023

(1) These options were granted on July 9, 2007 and vest 20% on each of the first five anniversaries of the grant date. These stock options became fully vested on July 9, 2012.

(2) These options were granted on February 28, 2013 and vest 20% on each of the first five anniversaries of the grant date.

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- (3) These options were granted on April 10, 2012 and vest 20% on August 14, 2012 and 20% on each of the next four anniversaries of the first vesting date of August 14, 2012.
- (4) These options were granted on December 6, 2006 and vest 60% on the third anniversary of the grant date and 20% on each of the fourth and fifth anniversaries of the grant date.
- (5) These options were granted on January 1, 2009 and vest 20% on each of the first five anniversaries of the grant date.
- (6) These options were granted on January 1, 2010 and vest 20% on each of the first five anniversaries of the grant date.

Potential Payments upon Termination or Change in Control

Termination of Employment

We currently have employment agreements in place with Messrs. Hislop, Howie, Biller and Hatcher and Mrs. Russell that would entitle them to severance payments upon termination of employment. Assuming the employment of our executive officers was terminated by us without cause on December 29, 2013, Messrs. Hislop, Howie, Biller and Hatcher and Mrs. Russell would be entitled to \$821,600, \$260,000, \$176,800, \$166,400 and \$187,200, respectively. For information on the severance benefits the executives are entitled to in the event of a termination of employment, under their employment agreements entered into on November 16, 2011, see Item 11. "Executive Compensation—Employment Agreements."

Change-in-Control

Under the 2012 Plan, a named executive officer's stock options granted under that plan will immediately vest in the event that a change in control (as defined in the 2012 Plan) occurs and the officer's employment is terminated without cause within 12 months following the change in control.

Under the 2006 Plan, a named executive officer's stock options granted under that plan will immediately vest, in the event that (i) we are merged, consolidated or reorganized into or with another corporation and immediately afterwards our current owners no longer own a majority of the outstanding stock of the merged, consolidated or reorganized corporation; (ii) we sell or otherwise transfer all or substantially all of our assets to another corporation; (iii) after a public offering any person becomes, directly or indirectly, the beneficial owner of more than 50% of our stock; and (iv) our stockholders approve a plan of complete liquidation or dissolution of the company.

If Messrs. Hislop, Howie, Biller and Hatcher and Mrs. Russell were terminated following a change in control on December 29, 2013, they would have received 324,800, \$677,992, \$247,820, \$266,575 and \$81,200, respectively, as a result of the vesting of their unvested stock options that were granted under the 2006 Plan and 2012 Plan. As of December 29, 2013, the closing price of our common stock on the most recent trading day was \$36.63 per share.

Director Compensation

The elements of compensation payable to our independent directors in 2013 are briefly described in the following table:

Board Service:

Annual cash retainer	\$30,000
Initial Grant of Stock Options	7,250 shares

Board Committee Service:

Audit Committee Chair annual cash retainer	\$10,000
--	----------

Our independent directors receive compensation for their services as a director. Committee chairs, except for the audit committee chair, do not receive additional compensation for serving as chair. We reimburse directors for all expenses incurred in attending board meetings.

Grants of stock options to new members of our board of directors are made under the 2012 Plan. These stock options vest 20% on each of the first five anniversaries of the grant date.

The compensation committee has retained Mercer as its independent compensation consultant to, among other things, advise the committee on director compensation with respect to 2014.

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Director Compensation Table

The following table provides information regarding the compensation of our non-employee directors for the year ended December 29, 2013:

NAME	FEES EARNED OR PAID IN CASH (\$)(2)	STOCK AWARDS (\$)(1)	TOTAL
Mike Young	\$—	\$—	\$—
John Zapp	—	—	—
Starlette Johnson	30,000	—	30,000
Saed Mohseni	30,000	—	30,000
Doug Schmick	15,000	77,575	92,575
Ira Zecher	40,000	—	40,000
Jose Ferreira, Jr. (3)	—	—	—
Michael C Stanley (3)	—	—	—

(1) The grant date fair value of each award, calculated in accordance with FASB ASC Topic 718 ("Topic 718"), was \$10.70. Pursuant to SEC rules, the amounts shown in this column exclude the impact of estimated forfeitures related to service-based vesting conditions. See Note 10 to our consolidated financial statements included in the Original Form 10-K for information regarding the assumptions made in determining these values.

(2) Beginning in 2014 all non-employee directors will be eligible to receive an annual cash retainer.

(3) Messrs. Ferreira and Stanley resigned as directors on October 24, 2013.

Compensation Committee Interlocks and Insider Participation

None of our executive officers have served as a member of the board of directors or compensation committee of any related entity that has one or more executive officers serving on our board of directors or compensation committee.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information

The following table sets forth, in tabular format, as of December 29, 2013 a summary of certain information related to our equity incentive plans under which our equity securities are authorized for issuance:

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (a)	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (\$)(b)	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (a))
Equity compensation plans approved by security holders	170,944	\$ 27.92	1,079,056
Total	170,944	\$ 27.92	1,079,056

Beneficial Ownership

The tables below set forth the beneficial ownership information of our common stock as of April 14, 2014 for: each of our named executive officers;

each of our directors;

all of our executive officers and directors as a group; and

each person known to us to be the beneficial owner of more than 5% of our shares of common stock.

Unless otherwise noted below, the address of the persons and entities listed on the table is c/o Chuy's Holdings, Inc., 1623 Toomey Rd., Austin, Texas 78704. We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated

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by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock reflected as beneficially owned, subject to applicable community property laws.

Beneficial ownership and percentage of beneficial ownership is based on 16,435,687 shares of our common stock outstanding at April 14, 2014. Shares of common stock subject to options currently exercisable or exercisable within 60 days of April 14, 2014 are deemed to be outstanding and beneficially owned by the person holding the options for the purpose of computing the percentage of beneficial ownership of that person and any group of which that person is a member, but are not deemed outstanding for the purpose of computing the percentage of beneficial ownership for any other person.

Directors and Named Executive Officers

NAME ⁽¹⁾	BENEFICIALLY OWNED	PERCENT OF CLASS
Michael Young ⁽²⁾	417,901	2.5 %
John Zapp ⁽²⁾	417,901	2.5 %
Steve Hislop	211,413	1.3 %
Frank Biller	32,024	*
Michael Hatcher	20,133	*
Jon Howie	19,575	*
Sharon Russell	12,569	*
Ted Zapp	11,969	*
Phillip Lazenby	11,161	*
Gary LaRue	5,525	*
Starlette Johnson	1,450	*
Saed Mohseni	1,450	*
Douglas Schmick	1,450	*
Ira Zecher	1,450	*
All Directors and Executive Officers as a group (13 persons)	748,070	4.5 %

* Indicates ownership of less than 1%.

Based on shares of common stock outstanding as of April 14, 2014, including 278,711 shares subject to options to purchase our common stock exercisable within the 60 days following April 14, 2014. Steve Hislop, Frank Biller, Michael Hatcher, Jon Howie, Sharon Russell, Ted Zapp, Phillip Lazenby, Gary LaRue, Starlette Johnson, Saed Mohseni, Douglas Schmick and Ira Zecher held options to purchase 211,413, 6,188, 15,049, 19,575, 2,000, 2,000, 11,161, 5,525, 1,450, 1,450, 1,450 and 1,450 shares of common stock, respectively, which are exercisable within the 60 days following April 14, 2014.

Represents shares beneficially owned by MY/ZP Equity, an entity in which Mike Young and John Zapp, our Founders and directors, are the limited partners. MY/ZP GP, LLC ("MY/ZP GP") is the sole general partner of MY/ZP Equity. Mike, as trustee of the Young Descendants' Trust, and John are the members of MY/ZP GP and each has voting and dispositive power of the shares and may each be deemed to indirectly beneficially own the shares. Both Mike and John disclaim beneficial ownership of the shares held by MY/ZP Equity.

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Five Percent Holders

The following table sets forth information regarding the number and percentage of shares of common stock held by all persons and entities who are known by the Company to beneficially own five percent or more of the Company's outstanding common stock. The information regarding beneficial ownership of common stock by the entities identified below is included in reliance on a report filed with the Securities and Exchange Commission by such entity, except that the percentages are based upon the Company's calculations made in reliance upon the number of shares reported to be beneficially owned by such entity in such report and the number of shares of common stock outstanding on April 14, 2014.

NAME	NUMBER OF SHARES	PERCENTAGE OF OUTSTANDING SHARES
FMR LLC ⁽¹⁾	2,210,119	13.5 %
Next Century Growth Investors LLC ⁽²⁾	1,407,831	8.6 %
Stephens Investment Management Group, LLC ⁽³⁾	1,077,879	6.6 %
Eagle Asset Management, Inc. ⁽⁴⁾	913,004	5.6 %
Lord, Abbet & Co. LLC ⁽⁵⁾	867,455	5.3 %

According to Amendment No. 1 to Schedule 13G (the "Amendment") filed on February 14, 2014 by FMR LLC ("FMR"), FMR has sole voting power with respect to 13,400 shares of common stock and sole dispositive power with respect to 2,210,119 Shares of Common Stock. The Amendment reported that these shares include (a) 2,197,419 shares beneficially owned by Fidelity Management & Research Company, a wholly-owned subsidiary of FMR, for which Edward C. Johnson, Chairman of FMR, has sole dispositive power, and (b) 12,700 shares beneficially owned by Pyramis Global Advisors Trust Company, a wholly-owned subsidiary of FMR, for which Edward C. Johnson 3rd, Chairman of FMR, has sole voting and dispositive power. The address for FMR is 245 Summer Street, Boston, Massachusetts 02210.

According to a Schedule 13G filed on February 14, 2014 by Next Century Growth Investors LLC ("Next Century"), Next Century has shared voting and dispositive power with respect to 1,407,831 shares of common stock. Thomas L. Press, Director, Chairman, Chief Executive Officer and controlling person of Next Century, and (2) Robert E. Scott, Director and President of Next Century, may be deemed to have shared voting and dispositive power over 1,407,831 shares of common stock. Each of Next Century, Thomas L. Press and Robert E. Scott disclaim beneficial ownership of the shares except to the extent of their respective pecuniary interest. The address of Next Century is 5500 Wayzata Blvd., Suite 1275, Minneapolis, Minnesota 55416.

According to a Schedule 13G filed on February 14, 2014 by Stephens Investment Management Group, LLC, Warren A. Stephens has shared voting with respect to 672,808 shares of common stock and sole dispositive power with respect to 1,077,879 shares of common stock. The Schedule 13G reported that these shares include (a) 21,612 shares beneficially owned by Stephens Inc. and (b) 1,056,267 shares beneficially owned by Stephens Investment Management Group, LLC. The address of Stephens Investment Management Group LLC is 111 Center Street, Little Rock, Arkansas 72201.

According to a Schedule 13G filed on January 27, 2014 by Eagle Asset Management, Inc., Eagle Asset (4) Management, Inc. has sole voting and dispositive power with respect to 913,004 shares of common stock. The address of Eagle Asset Management, Inc. is 880 Carillon Parkway, St. Petersburg, Florida 33716.

According to a Schedule 13G filed on February 14, 2014 by Lord, Abbet & Co. LLC, Lord, Abbet & Co. LLC has (5) sole voting with respect to 847,307 and sole dispositive power with respect to 867,455 shares of common stock.

The address of Lord, Abbet & Co. LLC is 90 Hudson Street, Jersey City, New Jersey 07302.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The following is a summary of transactions that occurred on or were in effect after December 31, 2012 to which we have been a party in which the amount involved exceeded \$120,000 and in which any of our executive officers, directors or beneficial holders of more than 5% of our capital stock had or will have a direct or indirect material interest.

Default License Letter Agreements

We entered into letter agreements in November 2006 with respect to the properties that we lease from Young/Zapp, an entity owned 50% by each of our Founders, and its subsidiaries. Pursuant to these letter agreements, if we default under our lease agreements with Young/Zapp and terminate possession of the lease location, Young/Zapp may operate a Tex Mex or Mexican food restaurant in that location. However, they may not use our trademarks or trade names or confusingly similar trademarks or tradenames. The approximate dollar value of this agreement was not determinable.

Intellectual Property

Recipe License Agreement. We entered into the recipe license agreement with MY/ZP IP in November 2006 to allow the use of certain of our recipes by MY/ZP IP at Shady Grove, Inc. ("Shady Grove"), a restaurant owned by our Founders and directors of

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our company. Shady Grove is a restaurant that serves all-American and Southwestern cuisine, such as hamburgers, sandwiches, fries, queso, cheese sticks and chili, and for which we provide management and administrative services pursuant to a management agreement with Three Star Management, Ltd. For additional information on our management agreement with Three Star Management, Ltd., see Item 13. “Certain Relationships and Related Transactions, and Director Independence—Management Agreement.” The approximate dollar value of this agreement was not determinable.

Management Agreement

We entered into a management agreement in November 2006 with Three Star Management, Ltd. to provide management services, such as administrative, accounting and human resources support, to Shady Grove. In consideration of the services we provide to Shady Grove, Three Star Management, Ltd. agreed to pay us a monthly fee of \$10,000, a pro rata share of the wages and expenses incurred to provide the services and the reimbursement of reasonable out-of-pocket expenses. Due to a reduction in the locations receiving management services, we agreed to reduce the fee to a \$10,000 quarterly payment.

Management System License Agreement

In November 2006, we entered into a management system license agreement with MY/ZP IP to allow the use of certain of our handbooks, personnel training materials and other materials relating to our business know-how and personnel management know-how by Shady Grove and in any other endeavors of MY/ZP IP, subject to certain conditions. The approximate dollar value of this agreement was not determinable.

Cross-Marketing License Agreement

In November 2006, we entered into a cross-marketing license agreement with MY/ZP IP to allow Shady Grove to market our brand at Shady Grove and allow us to market Shady Grove at our locations. Some cross-promotional activities include selling pre-printed cups, t-shirts, calendars, and birthday cards and co-branding our website and menus. The approximate dollar value of this agreement was not determinable.

Parade Sponsorship Agreement

We entered into a parade sponsorship agreement in November 2006 with MY/ZP IP to obtain the right to sponsor, manage and operate the “Chuy’s Children Giving To Children Parade” and to use MY/ZP IP’s trademark in connection with the parade. In addition, we granted MY/ZP IP a limited license to use the Chuy’s name in their trademark “Chuy’s Children Giving To Children Parade.” The approximate dollar value of this agreement was not determinable.

Leases

We lease our corporate office space as well as our North Lamar, River Oaks, Highway 183, Round Rock, Shenandoah and Arbor Trails properties from subsidiaries of Young/Zapp, a company owned 47.5% by each of our Founders and 5.0% by Sharon Russell. In 2013, we paid Young/Zapp \$125,120, \$255,691, \$457,541, \$467,064, \$481,074, \$308,362, and \$344,343, which includes rent and a percentage of gross sales in excess of our base rent, with respect to our headquarters, North Lamar, River Oaks, Hwy 183, Round Rock, Shenandoah and Arbor Trails locations, respectively.

Indemnification Agreements

We expect to enter into indemnification agreements with each of our directors and executive officers. Each indemnification agreement will provide that, subject to limited exceptions, and among other things, we will indemnify the director or executive officer to the fullest extent permitted by law for claims arising in his or her capacity as our director or officer. See “Management—Limitations of Liability and Indemnification of Directors and Officers” for a general description of these agreements.

Related Party Transactions Policy

Our audit committee reviews certain financial transactions, arrangements and relationships between us and any of the following related parties to determine whether any such transaction, arrangement or relationship is a related party transaction:

- any of our directors, director nominees or executive officers;
- any beneficial owner of more than 5% of our outstanding stock; and
- any immediate family member of any of the foregoing.

Our audit committee reviews any financial transaction, arrangement or relationship that:

involves or will involve, directly or indirectly, any related party identified above and is in an amount greater than \$120,000;

• would cast doubt on the independence of a director;

• would present the appearance of a conflict of interest between us and the related party; or

• is otherwise prohibited by law, rule or regulation.

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The audit committee reviews each such transaction, arrangement or relationship to determine whether a related party has, has had or expects to have a direct or indirect material interest. Following its review, the audit committee will take such action as it deems necessary and appropriate under the circumstances, including approving, disapproving, ratifying, cancelling or recommending to management how to proceed if it determines a related party has a direct or indirect material interest in a transaction, arrangement or relationship with us. Any member of the audit committee who is a related party with respect to a transaction under review will not be permitted to participate in the discussions or evaluations of the transaction; however, the audit committee member will provide all material information concerning the transaction to the audit committee. The audit committee will report its action with respect to any related party transaction to the board of directors.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

McGladrey LLP served as the Company's independent registered public accounting firm in 2013 and 2012. The following sets forth fees billed by McGladrey for the audit of our annual financial statements and other services rendered:

	YEARS ENDED	
	DECEMBER 29, 2013	DECEMBER 30, 2012
Audit fees ⁽¹⁾	\$ 126,000	\$ 118,000
Audit related fees ⁽²⁾	90,800	185,400
Tax fees ⁽³⁾	68,708	41,400
Total	\$ 285,508	\$ 344,800

Includes fees for audits of our annual financial statements, reviews of the related quarterly financial statements, and (1) services that are normally provided by the independent accountants in connection with statutory and regulatory filings or engagements, including reviews of documents filed with the SEC.

(2) Audit related fees include all costs associated with services provided by McGladrey LLP in connection with the Company's IPO in 2012 and the Company's secondary offerings completed in January 2013 and April 2013.

(3) Tax fees relate to professional services rendered for tax compliance, tax return review and preparation and related tax advice.

Pursuant to the charter of the audit committee, the audit committee is responsible for the oversight of our accounting, reporting and financial practices. The audit committee has the responsibility to select, appoint, engage, oversee, retain, evaluate and terminate our external auditors; pre-approve all audit and non-audit services to be provided, consistent with all applicable laws, to us by our external auditors; and establish the fees and other compensation to be paid to our external auditors.

The audit committee has adopted a policy to pre-approve all audit and permitted non-audit services provided by our principal independent accountants. All audit and non-audit services for 2013 and 2012 were pre-approved by the audit committee.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as a part of this Report:

- (1) Financial Statements - see Index to Financial Statements appearing on page F-1 of the Original 10-K filed March 11, 2014.
- (2) Financial Statement Schedules – None.
- (3) Exhibits - The exhibits listed on the accompanying Exhibit Index are filed or incorporated by reference as part of this report.

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Exhibit Index

Exhibit No.	Description of Exhibit
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on July 27, 2012)
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on October 30, 2013)
4.1	Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 of Amendment No. 7 to the Registration Statement on Form S-1 (File No. 333-176097), filed on July 11, 2012)
4.2	Amended and Restated Stockholders Agreement, dated May 4, 2010, by and among Chuy's Holdings, Inc., MY/ZP Equity, LP, Goode Chuy's Holdings, LLC, Goode Chuy's Direct Investors, LLC, J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III LLC, 522 Fifth Avenue Fund, L.P., and certain other stockholders, optionholders and permitted transferees (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
4.3	Amendment to Amended and Restated Stockholders Agreement, dated July 9, 2012, by and among Chuy's Holdings, Inc., MY/ZP Equity, LP, Goode Chuy's Holdings, LLC, Goode Chuy's Direct Investors, LLC, J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III LLC, 522 Fifth Avenue Fund, L.P., and certain other stockholders, optionholders and permitted transferees (incorporated by reference to Exhibit 4.3 of Amendment No. 7 to the Registration Statement on Form S-1 (File No. 333-176097), filed on July 11, 2012)
10.1*	Employment Agreement, dated July 9, 2007, between Chuy's Opco, Inc. and Steven J. Hislop (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.2*	Chuy's Holdings, Inc. 2012 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.3 of Amendment No. 7 to the Registration Statement on Form S-1 (File No. 333-176097), filed on July 11, 2012)
10.3*	Form of Restricted Share Agreement (2012 Omnibus Equity Incentive Plan) (incorporated by reference to Exhibit 10.4 of Amendment No. 7 to the Registration Statement on Form S-1 (File No. 333-176097), filed on July 11, 2012)
10.4*	Form of Option Agreement (2012 Omnibus Equity Incentive Plan) (incorporated by reference to Exhibit 10.5 of Amendment No. 7 to the Registration Statement on Form S-1 (File No. 333-176097), filed on July 11, 2012)
10.5*	Chuy's Holdings, Inc. 2006 Stock Option Plan (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.6* +	Form of Restricted Stock Unit Agreement Under the Chuy's Holdings, Inc. 2012 Omnibus Equity Incentive Plan
10.7*	Form of Stock Option Award Agreement (2006 Stock Option Plan) (incorporated by reference to Exhibit 10.7 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.8*	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.8 of Amendment No. 7 to the Registration Statement on Form S-1 (File No. 333-176097), filed on July 11, 2012)
10.9	Letter Agreement regarding Arbor Trails Chuy's, dated November 7, 2006, by and between Chuy's Opco, Inc. and Three Star Management, Ltd. (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.10	Recipe License Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and MY/ZP IP Group, Ltd. (incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)

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- 10.11 Cross-Marketing License Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and MY/ZP IP Group, Ltd. (incorporated by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
- 10.12* Management Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and Three Star Management, Ltd. (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
- 10.13 Management System License Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and MY/ZP IP Group, Ltd. (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)

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10.14	Parade Sponsorship Agreement, dated November 7, 2006, by and between Chuy's Opco, Inc. and MY/ZP IP Group, Ltd. (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.15	Form of Chuy's Holdings, Inc.'s 2009 Common Stock Subscription Agreement (incorporated by reference to Exhibit 10.18 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.16	Form of Chuy's Holdings, Inc.'s 2010 Common Stock Subscription Agreement (incorporated by reference to Exhibit 10.19 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.17	Form of License Exercisable Upon Event of Default Under Lease Agreement (incorporated by reference to Exhibit 10.21 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.18	Lease Agreement, dated November 7, 2006, between Young Zapp Graceland, Ltd. and Chuy's Opco, Inc. (incorporated by reference to Exhibit 10.23 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.19	Lease Agreement, dated January 1, 2002, between Young Zapp North Lamar, Ltd. and Chuy's Opco, Inc., as amended, modified and assigned (incorporated by reference to Exhibit 10.24 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.20	Lease Agreement, dated November 1, 1998, between Young-Zapp Joint Venture II and Chuy's Opco, Inc., as amended, modified and assigned (incorporated by reference to Exhibit 10.25 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.21	Lease Agreement, dated November 19, 1996, between Young Zapp Joint Venture-IV and Chuy's Opco, Inc., as amended, modified and assigned (incorporated by reference to Exhibit 10.26 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.22	Lease Agreement, dated January 22, 2001, between Young Zapp JVRR, Ltd. and Chuy's Opco, Inc., as amended, modified and assigned (incorporated by reference to Exhibit 10.27 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.23	Lease Agreement, dated June 1, 2003, between Young Zapp Shenandoah, Ltd. and Chuy's Opco, Inc., as amended, modified and assigned (incorporated by reference to Exhibit 10.28 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.24	Lease Agreement, dated April 22, 2008, between Young Zapp Arbor Trails, Ltd. and Chuy's Opco, Inc. (incorporated by reference to Exhibit 10.29 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
10.25	Form of Right to Repurchase Agreement (incorporated by reference to Exhibit 10.30 of Amendment No. 2 to the Registration Statement on Form S-1 (File No. 333-176097), filed on October 27, 2011)
10.26*	Employment Agreement, dated November 16, 2011, between Chuy's Holdings, Inc., Chuy's Opco, Inc. and Steven J. Hislop (incorporated by reference to Exhibit 10.31 of Amendment No. 3 to the Registration Statement on Form S-1 (File No. 333-176097), filed on November 17, 2011)
10.27*	Employment Agreement, dated November 16, 2011, between Chuy's Holdings, Inc., Chuy's Opco, Inc. and Jon W. Howie (incorporated by reference to Exhibit 10.32 of Amendment No. 3 to the Registration Statement on Form S-1 (File No. 333-176097), filed on November 17, 2011)
10.28*	Form of Employment Agreement, between Chuy's Holdings, Inc., Chuy's Opco, Inc. and certain employees (incorporated by reference to Exhibit 10.33 of Amendment No. 3 to the Registration Statement on Form S-1 (File No. 333-176097), filed on November 16, 2011)
10.29*	Chuy's Holdings, Inc. Senior Management Incentive Plan (incorporated by reference to Exhibit 10.34 of Amendment No. 7 to the Registration Statement on Form S-1 (File No. 333-176097), filed on July 11, 2012)
10.30	

Consent and First Amendment to Credit Agreement, dated as of March 21, 2012, by and among Chuy's Opco, Inc., as borrower, the persons designated on the signature pages thereto as guarantors, the lenders party thereto and GCI Capital Markets LLC, as administrative agent for all lenders (incorporated by reference to Exhibit 10.35 of Amendment No. 5 to the Registration Statement on Form S-1 (File No. 333-176097), filed on May 17, 2012)

10.31

Agreement Relating to Termination of Advisory Agreement, dated as of March 21, 2012, between Chuy's Opco, Inc. and Goode Partners LLC (incorporated by reference to Exhibit 10.36 of Amendment No. 5 to the Registration Statement on Form S-1 (File No. 333-176097), filed on May 17, 2012)

10.32*

Chuy's Holdings, Inc. Amended and Restated 2006 Stock Option Plan (incorporated by reference to Exhibit 10.37 of Amendment No. 5 to the Registration Statement on Form S-1 (File No. 333-176097), filed on May 17, 2012)

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10.33*	Voting Agreement, dated July 9, 2012, by and among Goode Chuy's Holdings, LLC, MY/ZP Equity, LP, Goode Chuy's Direct Investors, LLC, J.P. Morgan U.S. Direct Corporate Finance Institutional Investors III LLC and 522 Fifth Avenue Fund, L.P. (incorporated by reference to Exhibit 10.38 of Amendment No. 7 to the Registration Statement on Form S-1 (File No. 333-176097), filed on July 11, 2012)
10.34	Credit Agreement, dated November 30, 2012, by and among Chuy's Holdings, Inc., as borrower, the subsidiaries of Chuy's Holdings, Inc., as guarantors, and Wells Fargo Bank, N.A., as administrative agent, swingline lender, issuing lender and lender (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on December 6, 2012)
21.1	Subsidiaries of Chuy's Holdings, Inc. (incorporated by reference to Exhibit 21.1 to the Company's Registration Statement on Form S-1 (File No. 333-176097), filed on August 5, 2011)
23.1	Consent of McGladrey LLP (incorporated by reference to Exhibit 23.1 to the Company's Annual Report on Form 10-K (File No. 001-35603), filed on March, 11, 2014)
31.1+	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2+	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002 (incorporated by reference to Exhibit 32.1 to the Company's Annual Report on Form 10-K (File No. 001-35603), filed on March 11, 2014)
101.INS†	XBRL Instance Document
101.SCH†	XBRL Taxonomy Extension Schema
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document

* Indicates management contract or compensatory plan or arrangement.

+ Filed herewith.

† Filed as an exhibit to Chuy's Annual Report on Form 10-K filed March 11, 2014, Commission File No. 001-35603.