ALEXANDERS J CORP
Form 10-K/A
April 30, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K
(Amendment No. 1)

þ Annual Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934.

For the fiscal year ended January 1, 2012.

OR

o Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from to .

Commission file number 1-8766

J. ALEXANDER'S CORPORATION
(Exact name of Registrant as specified in its charter)

Tennessee	62-0854056
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
P.O. Box 24300 3401 West End Avenue, Nashville, Tennessee	37203
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (615) 269-1900

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

Title of Class:	Name of each exchange on which registered:
Common stock, par value $.05 per share, with associated Series A junior preferred stock purchase rights.	The 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 o 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 o 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 o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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 o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§209.405 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. þ

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 o Accelerated filer o Non-accelerated filer o (Do not check if a smaller reporting company) Smaller Reporting Company þ

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No þ

The aggregate market value of the voting stock held by non-affiliates of the registrant, computed by reference to the last sales price on The NASDAQ Stock Market LLC ("NASDAQ Stock Market") of such stock as of July 1, 2011, the last business day of the Company's most recently completed second fiscal quarter, was $35,360,536, assuming solely for this purpose that (i) all shares held by officers of the Company are shares owned by "affiliates", (ii) all shares beneficially held by members of the Company's Board of Directors are shares owned by "affiliates," a status which each of the directors individually disclaims and (iii) all shares held by the Trustee of the J. Alexander's Corporation Employee Stock Ownership Plan are shares owned by an "affiliate."

The number of shares of the Company's Common Stock, $.05 par value, outstanding at April 27, 2012, was 5,994,453.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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EXPLANATORY NOTE

J. Alexander's Corporation (the "Company") filed its Annual Report on Form 10-K for the fiscal year ended January 1, 2012 (the "Original Form 10-K"), with the U.S. Securities and Exchange Commission (the "Commission") on April 2, 2012. The Company is filing this Amendment No. 1 to the Original Form 10-K (this "Form 10-K/A") solely for the purpose of including in Part III the information that was to be incorporated by reference from the Company's definitive proxy statement for its 2012 Annual Meeting of Shareholders, because the Company's definitive proxy statement will not be filed with the Commission within 120 days after the end of the Company's fiscal year ended January 1, 2012. This Form 10-K/A hereby amends and restates in their entirety Items 10 through 14 of Part III of the Original Form 10-K, as well as the cover page to update the number of shares of the Company's Common Stock outstanding and to remove the statement that information is being incorporated by reference from the Company's definitive proxy statement.

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), this Form 10-K/A also contains new certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Accordingly, Item 15 of Part IV has also been amended and restated in its entirety to include the currently dated certifications as exhibits, and to reference the financial statements previously filed with the Original Form 10-K. Because no financial statements have been included in this Form 10-K/A and this Form 10-K/A 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.

No attempt has been made in this Form 10-K/A to modify or update the other disclosures presented in the Original Form 10-K, including, without limitation, the financial statements. This Form 10-K/A does not reflect events occurring after the filing of the Original Form 10-K or modify or update the disclosures in the Original Form 10-K, except as set forth in this Form 10-K/A, and should be read in conjunction with the Original Form 10-K and the Company's other filings with the Commission.

FORWARD-LOOKING STATEMENTS

The forward-looking statements included in this Form 10-K/A relating to certain matters involve risks and uncertainties, including anticipated financial performance, business prospects, economic conditions, anticipated capital expenditures, financing arrangements and other similar matters, which reflect management's best judgment based on factors currently known. Generally, the words "believe", "expect", intend", "estimate", "anticipate", "project", "may" "should" and similar expressions identify forward-looking statements. Actual results and experience could differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements as a result of a number of factors. Forward-looking information provided by the Company pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 should be evaluated in the context of these factors. In addition, the Company disclaims any intent or obligation to update these forward-looking statements.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

DIRECTORS

E. Townes Duncan	Mr. Duncan, 58, has been a director of the Company since May 1989. Mr. Duncan is the Chief Executive Officer of Solidus General Partner, LLC, the general partner of Solidus Company, L.P. (“Solidus”), a private investment firm, a position he has held since 2007, where he oversees early-stage and high-growth venture capital investments as well as the management and development of those companies. Mr. Duncan has been associated with Solidus or its predecessor since January 1997. Mr. Duncan served as a director of Bright Horizons Family Solutions, Inc., a publicly held childcare services company, from 1998 until 2008. He is a graduate of Washington & Lee University School of Law and received his undergraduate degree from Vanderbilt University. Mr. Duncan’s background as an attorney, his service as a member of the board of directors of various public and private companies and as the chief executive officer of a public company, as well as his experience as an institutional investor provide unique perspectives to the Company’s Board.
Brenda B. Rector	Ms. Rector, 64, has been a director since May 2004. From October 1996 until March 2004, Ms. Rector was the Vice President, Controller and Chief Accounting Officer of Province Healthcare Company, an owner and operator of acute care hospitals in non-urban markets. Prior to her employment with Province Healthcare Company, Ms. Rector was a partner of Ernst & Young where she served a variety of clients, both publicly and privately held, including restaurant and financial services industries. Ms. Rector has over 35 years of experience practicing as a certified public accountant working with and for public companies. She received her B.S. in accounting from Tennessee Technological University. Ms. Rector’s experience in accounting and financial management of public companies makes her an important contributor to the Board and as a member of the Company’s Audit Committee.
Joseph N. Steakley	Mr. Steakley, 58, has been a director since May 2004. He currently serves as Senior Vice President – Internal Audit of HCA Holdings, Inc. (“HCA”), a publicly held owner and operator of hospitals, a position he has held since July 1999. From November 1997 to July 1999, Mr. Steakley was Vice President – Internal Audit for HCA. Prior to his employment with HCA, Mr. Steakley served as a partner of Ernst & Young. Mr. Steakley has over 36 years of experience practicing as a certified public accountant and auditor working with and for public companies, including restaurant industry clients. He received his B.B.A. in accounting from Middle Tennessee State University. Mr. Steakley’s expertise in the areas of internal control over financial reporting for public companies and other internal auditing matters make him an important contributor to the Board and as Chair of the Company’s Audit Committee.
Lonnie J. Stout II	Mr. Stout, 65, has been a director and President and Chief Executive Officer of the Company since May 1986. Since July 1990, Mr. Stout has also served as Chairman of the Company. From 1982 to May 1984, Mr. Stout was a director of the Company, and he served as Executive Vice President and Chief Financial Officer of the Company from October 1981 to May 1984. He is a certified public accountant, inactive, and a graduate of Tennessee Technological University. Mr. Stout has over 30 years of experience in the hospitality, food services and restaurant business. His industry knowledge and experience make him a vital component to the Company’s Board.

EXECUTIVE OFFICERS

Information concerning the Company's executive officers appears under Part I, Item I of the Original Form 10-K under the caption "Executive Officers of the Company."

CORPORATE GOVERNANCE

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's executive officers and directors, and persons who own more than 10% of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the Commission and the NASDAQ Stock Market. Executive officers, directors and greater than 10% shareholders are required by regulation of the Commission to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on a review of the Forms 3, 4 and 5 and amendments thereto and certain written representations furnished to the Company, the Company believes that during the fiscal year ended January 1, 2012, its executive officers and directors and persons who own more than 10% of the Company's outstanding equity securities complied with all applicable filing requirements.

The Company's Board of Directors has adopted a Code of Business Conduct and Ethics applicable to the members of its Board of Directors and officers, including the Chief Executive Officer, Chief Financial Officer and the Company's principal accounting officer. The Company's Code of Business Conduct and Ethics is posted on its website at www.jalexanders.com, or a copy can be requested by writing to the following address: J. Alexander's Corporation, 3401 West End Avenue, Suite 260, Nashville, Tennessee 37203. The Company will make any legally required disclosures regarding amendments to, or waivers of, provisions of the Code of Business Conduct and Ethics on its website.

Audit Committee

The Company's Board of Directors has a standing Audit Committee. The members of the Audit Committee are Joseph N. Steakley (Chair), Brenda B. Rector and E. Townes Duncan. Two of the members of the Audit Committee, Mr. Steakley and Ms. Rector, are each qualified as an "audit committee financial expert" within the meaning of Commission regulations and is "financially sophisticated" within the meaning of the NASDAQ Stock Market listing standards. All members of the Audit Committee qualify as an "independent director" within the meaning of the NASDAQ Stock Market listing standards.

Item 11. Executive Compensation

EXECUTIVE COMPENSATION

As a smaller reporting company, as defined by Item 10(f) of Regulation S-K, the Company has elected to furnish the scaled compensation-related disclosure, as permitted by the Commission, rather than a more detailed Compensation Discussion and Analysis and related disclosures made by other reporting companies.

SUMMARY COMPENSATION TABLE – FISCAL YEARS 2010-2011

The following table sets forth certain summary information for the year indicated with respect to the compensation awarded to, earned by, or paid to the Company's Chief Executive Officer and the two next most highly compensated executive officers of the Company (collectively, the "Named Officers").

Name and Principal Position	Fiscal Year	Salary ($)(1)	Bonus ($)	Option Awards ($)(2)	All Other Compensation ($)(3)(4)	Total ($)
Lonnie J. Stout II	2011	407,918	—	250,000	363,624	771,792
Chairman, President, Chief Executive Officer and Director	2010	394,058	—	—	326,679	720,737
R. Gregory Lewis	2011	212,750	—	87,500	240,686	540,936
Vice President, Chief Financial Officer and Secretary	2010	205,500	36,000	—	158,132	399,632
J. Michael Moore	2011	167,850	—	37,500	69,588	274,938
Vice President, Human Resources and Administration	2010	162,325	24,000	—	55,818	242,143

(1) Amounts shown are not reduced to reflect the Named Officers' contributions to the Company's 401(k) and deferred compensation plans. Amounts shown are amounts actually earned by the Named Officer during the year.

(2) Represents the aggregate grant date fair value of the stock option award granted to the Named Officer determined in accordance with ASC Topic 718 "Compensation – Stock Compensation." For additional information on the assumptions made in the valuation for the awards reflected in this column, please see Note H to the Consolidated Financial Statements contained in the Company's Original Form 10-K.

(3) Amounts shown reflect the value to each of the Named Officers of: the expense recognized by the Company relating to the vested benefit under their Amended and Restated Salary Continuation Agreements, contributions allocated by the Company pursuant to the Company's 401(k) and deferred compensation plans and the Employee Stock Ownership Plan, an auto allowance, reimbursements for certain auto-related expenses, the Company's reimbursement of employee medical insurance contributions, payments received under a supplemental medical reimbursement insurance plan, payments of supplemental disability insurance premiums, and certain other benefits that vary by the Named Officer, including group life insurance premiums, tax preparation and planning services, a health club membership stipend and the limited use of Company-owned tickets to Tennessee Titans games.

(4) The following table details for each Named Officer the expense recognized by the Company over the last two fiscal years relating to the Named Officer's vested Amended and Restated Salary Continuation Agreement benefits. No amounts were actually paid to the employee.

Name	Non-Cash Expense Recognized Relating to the Vested Benefit Under the Amended and Restated Salary Continuation Agreements
Lonnie J. Stout II	$337,320 (2011) $297,714 (2010)
R. Gregory Lewis	$210,546 (2011) $131,444 (2010)
J. Michael Moore	$32,029 (2011) $28,609 (2010)

NARRATIVE DISCLOSURE TO SUMMARY COMPENSATION TABLE

Compensation Philosophy. The Company's executive compensation program is administered by the Compensation/Stock Option Committee (the "Committee") and compensates management through a combination of base salary, annual incentives and long-term incentives. The goal of the executive compensation program is to attract and retain talent through a mix of short-term and long-term incentives that reward outstanding Company and individual performance and the creation of shareholder value. Base salaries are intended to provide cash compensation at a level appropriate for the Named Officer's experience and responsibilities. The Company's incentive compensation, which has historically taken the form of a cash incentive program and stock options, is designed to reward both short-term and long-term strategic management and align a portion of the management incentives with the long-term interests of our shareholders.

Base Salary. Base salaries are reviewed annually and may be adjusted in light of individual past performance, tenure, any change in the Named Officer's position or responsibilities within the Company, or rates of inflation. The Committee reviews the base salary of the Chief Executive Officer and receives recommendations from the Chief Executive Officer regarding base salaries for the other Named Officers. The Named Officers received base salaries during 2011 in the amounts set forth in the Summary Compensation Table under the heading "Salary." These base salary amounts reflect moderate increases in the base salaries of each of Messrs. Stout, Lewis and Moore from 2010 due to market increases and inflation.

Cash-Based Incentive Compensation. Part of the Company's compensation philosophy is to incentivize its Named Officers using cash-based incentive compensation tied primarily to Company goals. The Committee approves the payment of annual cash incentive compensation, if earned, because the Company believes they reward executives for achieving the shorter-term goals of the Company.

All Named Officers participate in the Company's Cash Incentive Performance Program (the "CIPP") under which they are eligible to receive a cash payment based on performance targets in accordance with the Amended and Restated 2004 Equity Incentive Plan. Performance targets are set annually by the Committee and communicated to participants. The amount of the cash payment is a percentage of the officer's annual base salary. Each participant in the CIPP is assigned an annual award target expressed as a percentage of the participant's base salary. This annual award target is generally determined based on his ability to influence profitability, meet the Company's stated objectives of operational excellence and ensure the integrity of the Company's financial statements and reputation of the Company in the business community. In addition, the Committee has the discretionary authority to modify the annual award target based on its assessment of the individual's performance.

The CIPP is designed to provide 100% of a participant's annual award target for achieving targeted performance, 50% of a participant's annual award target for achieving a minimum acceptable (threshold) level of performance, and up to a maximum of 200% of a participant's annual award target for achieving maximum performance, but subject to a maximum payment of 100% of base salary. Payouts between the threshold and maximum amounts are calculated by the Committee following its consideration of Company performance. No payments will be made for performance below the threshold level.

The Committee did not set performance targets or make incentive cash payments under the CIPP for 2010 as a result of then-prevailing economic conditions.

The performance targets for 2011 were calculated based on the Company achieving designated levels of earnings before net interest expense, income taxes, depreciation, amortization, pre-opening expense, certain impairment charges, if applicable, any stock option expense and any change in deferred compensation accruals that result from interest rate changes (the “Adjusted EBITDA”). The amount of the potential cash incentive for Mr. Stout for 2011 performance ranged from 17.5% of base salary if the Company’s Adjusted EBITDA performance achieved acceptable threshold levels to 70% of base salary if the Company’s Adjusted EBITDA performance exceeded a maximum performance target. For Mr. Lewis, the potential cash incentive for 2011 ranged from 15% of base salary to 60% of base salary. For Mr. Moore, the potential cash incentive for 2011 ranged from 12.5% of base salary to 50% of base salary.

Because the Company did not achieve the threshold Adjusted EBITDA performance levels established by the Committee for 2011, no cash incentive payments were made under the CIPP with respect to 2011.

As described in Exhibit (10)(ee) to the Original Form 10-K filed with the Commission, the Committee has established performance targets pursuant to the CIPP for 2012 and the Company’s Named Officers will be eligible to receive incentive cash payments if the Company achieves designated performance levels of Adjusted EBITDA.

Equity-Based Compensation. The Company has historically awarded non-qualified or incentive stock options to its Named Officers under shareholder-approved plans on a periodic basis. The Company believes that the vesting feature of stock options closely aligns Named Officers’ interests with those of other shareholders because when the price of the Company’s stock increases from the price on the date of grant over the life of the stock option, the employee realizes value commensurate with increases to shareholder value generally.

Stock options generally are granted to all officers and other key employees, have a seven or ten-year term and an exercise price equal to or greater than the closing market price of the underlying shares of the Company’s Common Stock on the date of grant. The number of options granted to each Named Officer is based on the Company’s conclusions on the sufficiency of the Company’s cash compensation and other benefits available to the Named Officer. Because the Company believes a larger portion of more senior executives’ compensation should be tied to the Company’s performance, a larger number of options are granted to the more senior executive officers, decreasing incrementally based on position. The Company made no stock option awards to the Named Officers in 2010. On August 8, 2011, the Company made grants of 100,000, 35,000 and 15,000 stock options to Messrs. Stout, Lewis and Moore, respectively, all at an exercise price of $5.50 (the market price of the Company’s stock on the date of the grant). All of the options granted to the Named Officers in 2011 vest ratably over four years and have seven year terms. Options granted in 2011 are subject to accelerated vesting upon a change in control as defined in the Amended and Restated 2004 Equity Incentive Plan.

Cash Bonuses. On occasion, the Company has awarded discretionary cash bonus payments to its Named Officers to reward superior individual performance during a fiscal year. For fiscal year 2010, the Committee determined to award modest discretionary bonus payments in the amounts shown in the Summary Compensation Table to its Named Officers other than Mr. Stout to reward them for their individual performance during that year. Mr. Stout asked not to be considered for a bonus for fiscal year 2010. No discretionary bonuses were paid for 2011.

Employment Agreements. On December 26, 2008, the Company entered into employment agreements with Messrs. Stout, Lewis and Moore. The agreements provide that each of the Named Officers will continue to serve in their current offices and such other office or offices to which he may be appointed or elected by the Board of Directors of the Company for the term of the agreement. Following the initial three-year term, each agreement is subject to successive one-year automatic renewals unless either party gives written notice to the other party not less than 90 days prior to the end of the then-current term that it is electing not to extend the agreement. Each agreement provides for the Named Officer to continue to receive his current annual base salary as well as customary benefits, including remuneration pursuant to the Company's cash compensation incentive plans (assuming applicable performance targets are met) or any long-term incentive award plans offered generally to executives of the Company and health insurance. Pursuant to the terms of each agreement, the Company will also reimburse the Named Officer for all reasonable business expenses incurred by such Named Officer in performance of his duties. Compensation payable under the agreements is subject to annual review by the Committee of the Board of Directors, and may be increased as the Committee deems advisable.

Each agreement provides for certain payments upon the termination of the Named Officer's employment. Details of these payments and obligations are discussed below under the heading "Potential Payments Upon Termination or Change in Control." Pursuant to the terms of each of the agreements, each Named Officer is prohibited from competing with the Company during the term of his employment and for a period of one year following termination of employment if the Named Officer receives payments under the employment agreements in connection with termination without "cause" or by the Named Officer for "good reason." The Named Officer is also subject to certain confidentiality, non-disclosure and non-solicitation provisions.

Retirement Benefits. For over 30 years, the Company has provided a vested salary continuation benefit as the primary retirement benefit for its senior executives, including the Named Officers. Each Named Officer receives this retirement benefit through Amended and Restated Salary Continuation Agreements between the Company and the Named Officer. A description of the vested salary continuation benefits provided to each Named Officer under these agreements is described below under "Potential Payments upon Termination or Change in Control." In addition, the Company provides its Named Officers certain other retirement benefits, including participation in the Company's 401(k) plan and a non-qualified deferred compensation plan. Each plan allows the Named Officer to defer a portion of his compensation income on a pre-tax basis through contributions to the plan. The Company will match 25% of the Named Officer's total elective contributions up to 3% of the Named Officer's compensation for the Plan year (taking into account elective contributions to both plans). Earnings, gains and losses on deferral accounts under the non-qualified deferred compensation plan are determined quarterly and credited to participant accounts based on the gains or losses of hypothetical measurement funds selected by the plan's administrative committee. The Company does not provide above-market or preferential earnings on deferred compensation. In addition, the Company maintains an Employee Stock Ownership Plan ("ESOP"). The ESOP is a modest tax-advantaged retirement benefit plan funded by shares of Company Common Stock available to all employees with at least 1,000 hours of service during the 12-month period subsequent to their hire date, or any calendar year thereafter, and who are at least 21 years of age. Three years of service with the Company are generally required for a participant's account to vest. Shares held under the ESOP are distributed to participants upon their termination or retirement. In each of 2011 and 2010, the Company made a cash contribution of $50,000 to the ESOP that was used to purchase shares of Company Common Stock in the open market. Shares purchased by the ESOP during each year are allocated pro-rata to all employee participants in proportion to their compensation for the year. Allocations to the accounts of Named Officers did not exceed $500 in either of 2011 or 2010.

OUTSTANDING EQUITY AWARDS AT 2011 FISCAL YEAR-END TABLE

The following table summarizes the number of outstanding equity awards held by each of the Named Officers as of January 1, 2012.

	Option Awards(1)					
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Grant Date	Option Expiration Date
Lonnie J. Stout II	40,000		N/A	9.50	12/21/05(2)	12/21/15
	10,000			8.22	12/21/05(2)	12/21/15
	12,500			13.09	05/15/07(3)	05/15/14
	43,750			15.00	05/15/07(3)	05/15/14
	16,875	5,625		6.10	07/24/08(3)	07/24/15
	80,000	80,000		4.10	11/23/09(3)	11/23/16
		100,000		5.50	08/08/11(3)	08/08/18
R. Gregory Lewis	10,000		N/A	9.50	12/21/05(2)	12/21/15
	30,000			8.22	12/21/05(2)	12/21/15
	6,250			13.09	05/15/07(3)	05/15/14
	11,250	3,750		6.10	07/24/08(3)	07/24/15
	10,000	10,000		4.10	11/23/09(3)	11/23/16
		35,000		5.50	08/08/11(3)	08/08/18
J. Michael Moore	5,000					
	10,000					
	20,000					
	5,000					
	7,500					