

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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**FORM 8-K**

CURRENT REPORT

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

Date of Report (date of earliest event reported): December 16, 2010

**CRACKER BARREL OLD COUNTRY STORE, INC.**

Tennessee  
(State or Other Jurisdiction  
of Incorporation)

0-25225  
(Commission File Number)

62-1749513  
(I.R.S. Employer  
Identification No.)

305 Hartmann Drive, Lebanon, Tennessee 37087

(615) 444-5533

Check the appropriate box if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On December 16, 2010, Lawrence E. Hyatt was appointed the Senior Vice President and Chief Financial Officer of Cracker Barrel Old Country Store, Inc. (the "Company") effective January 3, 2011 (the "Start Date"). Mr. Hyatt, age 56, most recently served as Chief Financial Officer and Treasurer of O'Charley's, Inc. since November 2004 and as O'Charley's Interim President and Chief Executive Officer from February 2009 to June 2009. Prior to joining O'Charley's, he was Executive Vice President and Chief Financial Officer of Cole National Corporation from 2002 to 2004 and was the Chief Financial and Restructuring Officer of PSINet, Inc. from 2000 to 2002. In 2001 PSINet, Inc. and certain affiliated entities filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. Mr. Hyatt has also served as Chief Financial Officer at HMS Host Corporation from 1999 to 2000 and at Sodexo Marriott Services, Inc. and its predecessor company from 1989 to 1999.

As Senior Vice President and Chief Financial Officer, Mr. Hyatt will receive a base salary of \$475,000 ("Base Salary"), and an annual bonus with a target of 70% of Base Salary. Reference is made to the Item 5.02 of the Company's Current Report on Form 8-K dated July 28, 2010 and filed with the Commission on August 3, 2010, which is incorporated herein by this reference, for additional information on the Company's annual bonus plan. Additionally, with respect to awards under the Company's long-term incentive plan (the "LTI"), Mr. Hyatt's target percentage is 130% of Base Salary. Reference is made to the Item 5.02 of the Company's Current Report on Form 8-K dated September 22, 2010 and filed with the Commission on September 24, 2010, which is incorporated herein by this reference, for additional information on the LTI. Mr. Hyatt's LTI percentage will result in him receiving a target LTTP Award of 5,717 shares of the Company's \$0.01 par value common stock (the "Shares") and a target performance-based stock unit award of 3,811 Shares. Neither the annual bonus nor the LTI is a guarantee but is subject to satisfaction of the performance and other criteria established by the Compensation Committee of the Board. Mr. Hyatt's annual bonus and the amount, if any, payable under the LTI each will be prorated based upon the number of days during the performance period that Mr. Hyatt is employed by the Company.

On the Start Date, Mr. Hyatt will receive a restricted stock grant of 8,000 Shares, which vest on the third anniversary of the Start Date. In addition, Mr. Hyatt will receive a \$50,000 payment within 10 days after the Start Date.

*Employee Retention Agreement*

On the Start Date, Mr. Hyatt and the Company also will enter into the Company's Standard Employee Retention Agreement (a "Change in Control Agreement") effective the Start Date. The form of Mr. Hyatt's Change in Control Agreement is filed as Exhibit 99.1 to this Current Report on Form 8-K. In the event of the termination of Mr. Hyatt's employment after a change in control, his benefits will be determined by reference to the Change in Control Agreement and not by the terms and conditions of the Company's Standard Severance Policy. The Change in Control Agreement provides that Mr. Hyatt will receive specified benefits if, after a "change in control" of the Company, he is terminated without "cause" (as defined in the Change in Control Agreement) or there is "good reason," which means: (1) a material change in duties or responsibilities resulting in the assignment of duties and responsibilities inferior to the duties and responsibilities in effect at the time of change in control, (2) a reduction in salary or a material change in benefits (excluding discretionary bonuses), or (3) a change in the location of work assignments from the location at the time of change in control to any other location that is further than 50 miles away from the location at the time of change in control. The salary payments will equal two times the average salary and bonus for the 3 years prior to a change in control, and benefits will include continuation of and payments for health benefits for a 2-year period. In addition, if his employment is terminated by the Company without "cause" or by Mr. Hyatt for "good reason," he will receive the monetary value of all then-unvested stock options and restricted stock. The Change in Control Agreement defines "change in control" to include certain circumstances in which a person becomes the beneficial owner of securities representing 20% or more of the combined voting power of the Shares, a majority of the Company's Board of Directors (the "Board") changes within a 2-year period, the Company merges, consolidates or reorganizes, or in the event of a sale of all or substantially all of the Company's assets.

The foregoing is only a summary of the Change in Control Agreement and is qualified in its entirety by reference to the agreement incorporated by reference as Exhibit 99.1.

Reference is made to Item 5.02 of the Company's Current Report on Form 8-K dated November 1, 2010 (the "November 2010 8-K") and filed with the Commission on November 5, 2010, which is incorporated herein by this reference. In the November 2010 8-K, the Company reported that the Board, effective November 1, 2010, had appointed the Company's Senior Vice President, Secretary and Chief Legal Officer, N.B. Forrest Shoaf, to the additional position of Interim Chief Financial Officer. Mr. Shoaf, effective the Start Date, upon Mr. Hyatt's assuming the position of Senior Vice President and Chief Financial Officer, will cease to serve in the position of Interim Chief Financial Officer. He will continue to serve in his other capacities.

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**Item 7.01. Regulation FD Disclosure.**

The information set forth in Item 5.02 above is incorporated by reference as if fully set forth herein. On December 16, 2010, the Company issued the press release that is furnished as Exhibit 99.2 to this Current Report on Form 8-K, which by this reference is incorporated herein as if copied verbatim, announcing the appointment of Mr. Hyatt as the Company's Senior Vice President and Chief Financial Officer.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

See Exhibit Index immediately following signature page to this Current Report on Form 8-K.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 17, 2010

CRACKER BARREL OLD COUNTRY  
STORE, INC.

By: /s/ N.B. Forrest Shoaf

Name: N.B. Forrest Shoaf

Title: Senior Vice President, Secretary and Chief Legal Officer

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**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Form of Change in Control Agreement with Lawrence E. Hyatt effective January 3, 2011
99.2	Press Release issued by Cracker Barrel Old Country Store, Inc. dated December 16, 2010 (furnished only)

January 3, 2011

Mr. Lawrence E. Hyatt  
253 Keswick Grove Lane  
Franklin, TN 37067

Re: Employee Retention Agreement

Dear Larry:

The Board of Directors of Cracker Barrel Old Country Store, Inc. recognizes the contribution that you will make to Cracker Barrel Old Country Store, Inc. or one of its direct or indirect subsidiaries (collectively, the "Company") and wishes to ensure your continuing commitment to the Company and its business operations. Accordingly, in exchange for your continuing commitment to the Company, and your energetic focus on continually improving operations, the Company promises you the following benefits if your employment with the Company is terminated in certain circumstances:

**1. DEFINITIONS.** As used in this Agreement, the following terms have the following meanings which are equally applicable to both the singular and plural forms of the terms defined:

**1.1 "Cause"** means any one of the following:

- (a) personal dishonesty;
- (b) willful misconduct;
- (c) breach of fiduciary duty; or
- (d) conviction of any felony or crime involving moral turpitude.

**1.2 "Change in Control"** means: (a) that after the date of this Agreement, a person becomes the beneficial owner, directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding voting securities, unless that acquisition was approved by a vote of at least 2/3 of the directors in office immediately prior to the acquisition; (b) that during any period of 2 consecutive years following the date of this Agreement, individuals who at the beginning of the period constitute members of the Board of Directors of the Company cease for any reason to constitute a majority of the Board unless the election, or the nomination for election by the Company's shareholders, of each new director was approved by a vote of at least 2/3 of the directors then still in office who were directors at the beginning of the 2-year period; (c) a merger, consolidation or reorganization of the Company (but this provision does not apply to a recapitalization or similar financial restructuring which does not

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involve a material change in ownership of equity of the Company and which does not result in a change in membership of the Board of Directors); or (d) a sale of all or substantially all of the Company's assets.

1.3 **"Change in Control Period"** means a 2-year year period beginning the day after a Change in Control occurs.

1.4 **"Change in Duties or Compensation"** means any one of: (a) a material change in your duties and responsibilities for the Company (without your consent) from those duties and responsibilities for the Company in effect at the time a Change in Control occurs, which change results in the assignment of duties and responsibilities inferior to your duties and responsibilities at the time such Change in Control occurs (it being understood and acknowledged by you that a Change in Control that results in two persons of which you are one having similar or sharing duties and responsibilities shall not be a material change in your duties and responsibilities); (b) a reduction in your salary or a material change in benefits (excluding discretionary bonuses), from the salary and benefits in effect at the time a Change in Control occurs; or (c) a change in the location of your work assignment from your location at the time a Change in Control occurs to any other city or geographical location that is located further than 50 miles from that location.

2. **TERMINATION OF EMPLOYMENT; SEVERANCE.** Your immediate supervisor or the Company's Board of Directors may terminate your employment, with or without cause, at any time by giving you written notice of your termination, such termination of employment to be effective on the date specified in the notice. You also may terminate your employment with the Company at any time. The effective date of termination (the "Effective Date") shall be the last day of your employment with the Company, as specified in a notice by you, or if you are terminated by the Company, the date that is specified by the Company in its notice to you. The following subsections set forth your rights to severance in the event of the termination of your employment in certain circumstances by either the Company or you. Section 5 also sets forth certain restrictions on your activities if your employment with the Company is terminated, whether by the Company or you. That section shall survive any termination of this Agreement or your employment with the Company.

2.1 **Termination by the Company Without Cause During a Change in Control Period.** If your employment with the Company is terminated by the Company without Cause during a Change in Control Period, you shall be entitled to receive Benefits pursuant to Section 3. A termination within 90 days prior to a Change in Control which occurs solely in order to make you ineligible for the benefits of this Agreement shall be considered a termination without Cause during a Change in Control Period.

2.2 **Termination By You For Change in Duties or Compensation During a Change in Control Period.** If during a Change in Control Period there occurs a Change in Duties or Compensation you may terminate your employment with the Company at any time within 30 days after the occurrence of the Change in Duties or Compensation, by giving to the Company not less

than 120 nor more than 180 days notice of termination. During the notice period that you continue to work, any reduction in your Compensation will be restored. At the option of the Company, following receipt of this notice, it may: (a) change or cure, within 15 days, the condition that you claim has caused the Change in Duties or Compensation, in which case, your rights to terminate your employment with the Company pursuant to this Section 2.2 shall cease (unless there occurs thereafter another Change in Duties or Compensation) and you shall continue in the employment of the Company notwithstanding the notice that you have given; (b) allow you to continue your employment through the date that you have specified in your notice; or (c) immediately terminate your employment pursuant to Section 2.1. If you terminate your employment with the Company pursuant to this Section 2.2, you shall be entitled to receive Benefits pursuant to Section 3. Your failure to provide the notice required by this Section 2.2 shall result in you having no right to receive any further compensation from the Company except for any base salary or vacation earned but not paid, plus any bonus earned and accrued by the Company through the Effective Date.

**3. SEVERANCE BENEFITS.** If your employment with the Company is terminated as described in Section 2.1 or 2.2, you shall be entitled to the benefits specified in subsections 3.1, 3.2, and 3.3 (the "Benefits") for the period of time set forth in the applicable section.

**3.1 Salary Payment or Continuance.** You will be paid a single lump sum payment in an amount equal to 2.00 times the average of your annual base salary and any bonus payments for the 3 years immediately preceding the Effective Date. The determination of the amount of this payment shall be made by the Company's actuaries and benefit consultants and, absent manifest error, shall be final, binding and conclusive upon you and the Company.

**3.2 Continuation of Benefits.** During the 2 years following the Effective Date (the "Severance Period") that results in benefits under this Article 3, you shall continue to receive the medical, prescription, dental, employee life and group life insurance benefits at the levels to which you were entitled on the day preceding the Effective Date, or reasonably equivalent benefits, to the extent continuation is not prohibited or limited by applicable law. In no event shall substitute plans, practices, policies and programs provide you with benefits which are less favorable, in the aggregate, than the most favorable of those plans, practices, policies and programs in effect for other active employees who are similarly situated to the position / responsibilities you held immediately preceding the Effective Date. However, if you become re-employed with another employer and are eligible to receive medical or other welfare benefits under another employer-provided plan, Company payments for these medical and other welfare benefits shall cease.

**4. EFFECT OF TERMINATION ON STOCK OPTIONS AND RESTRICTED STOCK.** In the event of any termination of your employment, all stock options and restricted stock held by you that are vested prior to the Effective Date shall be owned or exercisable in accordance with their terms; all stock options held by you that are not vested prior to the Effective Date shall lapse and be void; however, if your employment with the Company is terminated as described in Sections 2.1 or 2.2, then, if your option or restricted stock grants provide for immediate vesting in the event of a Change in Control, the terms of your option or restricted stock agreement shall



control. If your option or restricted stock agreement does not provide for immediate vesting, you shall receive, within 30 days after the Effective Date, a lump sum cash distribution equal to: (a) the number of shares of the Company's ordinary shares that are subject to options or restricted stock grants held by you that are not vested as of the Effective Date multiplied by (b) the difference between: (i) the closing price of a share of the Company's ordinary shares on the NASDAQ Global Market as reported by The Wall Street Journal as of the day prior to the Effective Date (or, if the market is closed on that date, on the last preceding date on which the market was open for trading), and (ii) the applicable exercise prices or stock grant values of those non-vested shares.

5. **DISCLOSURE OF INFORMATION.** You recognize and acknowledge that, as a result of your employment by the Company, you have or will become familiar with and acquire knowledge of confidential information and certain trade secrets that are valuable, special, and unique assets of the Company. You agree that all that confidential information and trade secrets are the property of the Company. Therefore, you agree that, for and during your employment with the Company and continuing following the termination of your employment for any reason, all confidential information and trade secrets shall be considered to be proprietary to the Company and kept as the private records of the Company and will not be divulged to any firm, individual, or institution, or used to the detriment of the Company. The parties agree that nothing in this Section 5 shall be construed as prohibiting the Company from pursuing any remedies available to it for any breach or threatened breach of this Section 5, including, without limitation, the recovery of damages from you or any person or entity acting in concert with you.

6. **GENERAL PROVISIONS.**

6.1 **Other Plans.** Nothing in this Agreement shall affect your rights during your employment to receive increases in compensation, responsibilities or duties or to participate in and receive benefits from any pension plan, benefit plan or profit sharing plans except plans which specifically address benefits of the type addressed in Sections 3 and 4 of this Agreement.

6.2 **Death During Severance Period.** If you die during the Severance Period, any Benefits remaining to be paid to you shall be paid to the beneficiary designated by you to receive those Benefits (or in the absence of designation, to your surviving spouse or next of kin).

6.3 **Notices.** Any notices to be given under this Agreement may be effected by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing on the first page of this Agreement (to the attention of the Secretary in the case of notices to the Company), but each party may change the delivery address by written notice in accordance with this Section 7.3. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of the second day following deposit in the United States Mail.

6.4 **Entire Agreement.** This Agreement supersedes all previous oral or written agreements, understandings or arrangements between the Company and you regarding a termination

of your employment with the Company or a change in your status, scope or authority and the salary, benefits or other compensation that you receive from the Company as a result of the termination of your employment with the Company in connection with a Change in Control (the "Subject Matter"), all of which are wholly terminated and canceled. This Agreement contains all of the covenants and agreements between the parties with respect to the Subject Matter. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made with respect to the Subject Matter by any party, or anyone acting on behalf of any party, which are not embodied in this Agreement. Any subsequent agreement relating to the Subject Matter or any modification of this Agreement will be effective only if it is in writing signed by the party against whom enforcement of the modification is sought.

**6.5 Partial Invalidity.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

**6.6 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, and it shall be enforced or challenged only in the courts of the State of Tennessee.

**6.7 Waiver of Jury Trial.** The Company and you expressly waive any right to a trial by jury in any action or proceeding to enforce or defend any rights under this Agreement, and agree that any such action or proceeding shall be tried before a court and not a jury. You irrevocably waive, to the fullest extent permitted by law, any objection that you may have now or hereafter to the specified venue of any such action or proceeding and any claim that any such action or proceeding has been brought in an inconvenient forum.

**6.8 Miscellaneous.** Failure or delay of either party to insist upon compliance with any provision of this Agreement will not operate as and is not to be construed to be a waiver or amendment of the provision or the right of the aggrieved party to insist upon compliance with the provision or to take remedial steps to recover damages or other relief for noncompliance. Any express waiver of any provision of this Agreement will not operate, and is not to be construed, as a waiver of any subsequent breach, irrespective of when occurring under similar or dissimilar circumstances. You may not assign any of your rights under this Agreement. The rights and obligations of the Company under this Agreement shall benefit and bind the successors and assigns of the Company. The Company agrees that if it assigns this Agreement to any successor company, it will ensure that its terms are continued.

**6.9 Section 280G Limitation.**

(a) If any payment or benefit you would receive pursuant to this Agreement (collectively, the "Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties payable

with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then your benefits under this Agreement shall be delivered as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax.

(b) The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall perform any calculation necessary to determine the amount, if any, payable to you pursuant to this Agreement, as limited by this Section 6.9. If the accounting firm so engaged by the Company is also serving as accountant or auditor for the individual, entity or group that will control the Company following a Change in Control, the Company shall appoint a nationally recognized accounting firm other than the accounting firm engaged by the Company for general audit purposes to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

(c) The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and you within thirty (30) calendar days after the date on which such accounting firm has been engaged to make such determinations or such other time as requested by the Company or you. Any good faith determinations of the accounting firm made hereunder shall be final, binding, and conclusive upon the Company and you.

If all of the terms and conditions in this Agreement are agreed to by you, please signify your agreement by executing the enclosed duplicate of this letter and returning it to us. At the date of your return, this letter shall constitute a fully enforceable Agreement between us.

Cracker Barrel Old Country Store, Inc.

By: \_\_\_\_\_  
Michael A. Woodhouse  
Chairman and CEO

The foregoing is fully agreed to and accepted by:

Company Employee's Signature: \_\_\_\_\_

Please Print or Type Name: Lawrence E. Hyatt

Please Print or Type Title: SVP and Chief Financial Officer

Cracker Barrel  
Old Country Store [Logo]

POST OFFICE BOX 787  
LEBANON, TENNESSEE  
37088-0787

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**CRACKER BARREL OLD COUNTRY STORE, INC. NAMES  
LAWRENCE E. HYATT AS CHIEF FINANCIAL OFFICER**

**LEBANON, Tenn. – December 16, 2010** – Cracker Barrel Old Country Store, Inc. (“Cracker Barrel,” or the “Company”) (Nasdaq: CBRL) today announced that its Board of Directors has elected Lawrence E. Hyatt the Company’s Senior Vice President and Chief Financial Officer. Hyatt, who will join the Company on January 3, 2011, will have responsibility for all aspects of the Company’s finance, accounting, investor relations and information services functions. He will report to Chairman and Chief Executive Officer Michael A. Woodhouse.

“We are pleased to have someone with Larry’s extensive experience joining Cracker Barrel,” said Woodhouse. “His experience as a public company CFO in both the restaurant and retail industries is of great value as we look forward to building on Cracker Barrel’s recent successes and positioning the Company for sustained profitable growth.”

Hyatt has over 20 years of experience as a Chief Financial Officer with various organizations. Most recently he served as the Chief Financial Officer and Treasurer of O’Charley’s Inc., a multi-concept restaurant company, a position to which he was appointed in 2004. He also served as Interim Chief Executive Officer of O’Charley’s Inc. from February 2009 through June 2009. Previous positions include serving as the Executive Vice President and Chief Financial Officer of Cole National Corporation, a specialty retailer, as Chief Financial and Restructuring Officer of PSINet Inc., an internet service provider, as Chief Financial Officer of HMS Host Corporation, a subsidiary of Autogrill S.p.A., and as Chief Financial Officer of Sodexo Marriott Services, Inc. and its predecessor company.

**About Cracker Barrel**

Cracker Barrel Old Country Store restaurants provide a friendly home-away-from-home in their old country stores and restaurants. Guests are cared for like family while relaxing and enjoying real home-style food and shopping that’s surprisingly unique, genuinely fun and reminiscent of America’s country heritage...all at a fair

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December 16, 2010

price. The restaurant serves up delicious, home-style country food such as meatloaf and homemade chicken n' dumplins as well as its signature biscuits using an old family recipe. The authentic old country retail store is fun to shop and offers unique gifts and self-indulgences.

Headquartered in Lebanon, Tennessee, Cracker Barrel Old Country Store, Inc. (Nasdaq: CBRL) was established in 1969 and operates 597 company-owned locations in 42 states. Every Cracker Barrel unit is open seven days a week with hours Sunday through Thursday, 6 a.m. – 10 p.m., and Friday and Saturday, 6 a.m. - 11 p.m. For more information, visit: [crackerbarrel.com](http://crackerbarrel.com).

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