

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 13D**

(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
§ 240.13d-2(a)

(Amendment No. 19)<sup>1</sup>

CRACKER BARREL OLD COUNTRY STORE, INC.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

22410J106

(CUSIP Number)

Sardar Biglari  
Biglari Holdings Inc.  
17802 IH 10 West, Suite 400  
San Antonio, Texas 78257  
(210) 344-3400

with copies to:

Steve Wolosky, Esq.  
Olshan Frome Wolosky LLP  
Park Avenue Tower  
65 East 55th Street  
New York, New York 10022  
(212) 451-2300

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

October 18, 2012

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

*Note:* Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

<sup>1</sup> The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the *Notes*).

1	NAME OF REPORTING PERSON Biglari Holdings Inc.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC, OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Indiana	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 4,125,037
	8	SHARED VOTING POWER -0-
	9	SOLE DISPOSITIVE POWER 4,125,037
	10	SHARED DISPOSITIVE POWER -0-
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,125,037	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 17.4%	
14	TYPE OF REPORTING PERSON CO	

1	NAME OF REPORTING PERSON Biglari Capital Corp.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Texas	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 140,100
	8	SHARED VOTING POWER -0-
	9	SOLE DISPOSITIVE POWER 140,100
	10	SHARED DISPOSITIVE POWER -0-
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 140,100	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.6%	
14	TYPE OF REPORTING PERSON CO	

1	NAME OF REPORTING PERSON  The Lion Fund, L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS  WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  140,100
	8	SHARED VOTING POWER  -0-
	9	SOLE DISPOSITIVE POWER  140,100
	10	SHARED DISPOSITIVE POWER  -0-
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  140,100	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  0.6%	
14	TYPE OF REPORTING PERSON  PN	

1	NAME OF REPORTING PERSON Steak n Shake Operations, Inc.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION Indiana	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 299,985
	8	SHARED VOTING POWER -0-
	9	SOLE DISPOSITIVE POWER 299,985
	10	SHARED DISPOSITIVE POWER -0-
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 299,985	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 1.3%	
14	TYPE OF REPORTING PERSON CO	

1	NAME OF REPORTING PERSON Sardar Biglari	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION USA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 4,125,037
	8	SHARED VOTING POWER -0-
	9	SOLE DISPOSITIVE POWER 4,125,037
	10	SHARED DISPOSITIVE POWER -0-
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,125,037	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 17.4%	
14	TYPE OF REPORTING PERSON IN	

1	NAME OF REPORTING PERSON Philip L. Cooley	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="radio"/> (b) <input type="radio"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION USA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER -0-
	8	SHARED VOTING POWER -0-
	9	SOLE DISPOSITIVE POWER -0-
	10	SHARED DISPOSITIVE POWER -0-
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON -0-	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="radio"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0%	
14	TYPE OF REPORTING PERSON IN	

The following constitutes Amendment No. 19 to the Schedule 13D filed by the undersigned. Such Schedule 13D is hereby amended as follows:

**Item 3. Source and Amount of Funds or Other Consideration.**

Item 3 is hereby amended and restated to read as follows:

The aggregate purchase price of the 3,684,952 Shares owned directly by BH is approximately \$179,703,032. Such Shares were acquired with the working capital of BH (which may include margin loans made by brokerage firms in the ordinary course of business).

The aggregate purchase price of the 140,100 Shares owned directly by the Lion Fund is approximately \$6,062,885. Such Shares were acquired with the working capital of the Lion Fund (which may include margin loans made by brokerage firms in the ordinary course of business).

The aggregate purchase price of the 299,985 Shares owned directly by Steak n Shake is approximately \$19,294,295. Such Shares were acquired with the working capital of Steak n Shake (which may include margin loans made by brokerage firms in the ordinary course of business).

None of the persons listed on Schedule A annexed to the Schedule 13D currently beneficially own any Shares.

**Item 4. Purpose of Transaction.**

Item 4 is hereby amended to add the following:

On October 18, 2012, BH's counsel delivered to the Issuer's General Counsel the letter attached as Exhibit 99.1, which is incorporated herein by reference.

**Item 5. Interest in Securities of the Issuer.**

Item 5 is hereby amended and restated to read as follows:

(a - e) The aggregate percentage of Shares reported owned by the Reporting Persons is based upon 23,642,398 Shares outstanding, which is the total number of Shares outstanding as of September 21, 2012, as reported in the Issuer's proxy statement on Schedule 14A, filed with the SEC on October 4, 2012.

As of the close of business on October 17, 2012, BH owned directly 3,684,952 Shares, constituting approximately 15.6% of the Shares outstanding. By virtue of the relationships with BH discussed in further detail in Item 2, Sardar Biglari may be deemed to beneficially own the Shares owned by BH.

As of the close of business on October 17, 2012, the Lion Fund owned directly 140,100 Shares, constituting approximately 0.6% of the Shares outstanding. By virtue of the relationships with the Lion Fund discussed in further detail in Item 2, each of BCC, BH and Sardar Biglari may be deemed to beneficially own the Shares owned by the Lion Fund.



As of the close of business on October 17, 2012, Steak n Shake owned directly 299,985 Shares, constituting approximately 1.3% of the Shares outstanding. By virtue of the relationships with Steak n Shake discussed in further detail in Item 2, each of BH and Sardar Biglari may be deemed to beneficially own the Shares owned by Steak n Shake.

An aggregate of 4,125,037 Shares, constituting approximately 17.4% of the Shares outstanding, are reported by the Reporting Persons in this statement.

None of Sardar Biglari, Philip L. Cooley or any person set forth on Schedule A annexed to the Schedule 13D directly owns any Shares as of the date hereof.

Schedule B annexed hereto lists all transactions in securities of the Issuer by (i) the Reporting Persons and (ii) each of the executive officers and directors of BH and Steak n Shake since the filing of Amendment No. 18 to the Schedule 13D. All of such transactions were effected in the open market, unless otherwise noted.

No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Shares.

By virtue of his relationships with the other Reporting Persons discussed in further detail in Item 2, Sardar Biglari may be deemed to have the sole power to vote and dispose of the Shares owned directly by BH, Steak n Shake and the Lion Fund.

Each of the Reporting Persons, as a member of a "group" with the other Reporting Persons for purposes of Rule 13d-5(b)(1) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), may be deemed to beneficially own the Shares owned by the other Reporting Persons. The filing of this Schedule 13D shall not be deemed an admission that any of the Reporting Persons is, for purposes of Section 13(d) of the Exchange Act, the beneficial owner of any Shares he or it does not directly own. Each of the Reporting Persons specifically disclaims beneficial ownership of the Shares reported herein that he or it does not directly own.

**Item 7. Material to be Filed as Exhibits.**

99.1 Letter to General Counsel of the Issuer, dated October 18, 2012.

**SIGNATURE**

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

October 18, 2012

(Date)

BIGLARI HOLDINGS INC.

By: /s/ Sardar Biglari

Name: Sardar Biglari

Title: Chairman and Chief Executive Officer

BIGLARI CAPITAL CORP.

By: /s/ Sardar Biglari

Name: Sardar Biglari

Title: Chairman and Chief Executive Officer

THE LION FUND, L.P.

By: BIGLARI CAPITAL CORP., its General Partner

By: /s/ Sardar Biglari

Name: Sardar Biglari

Title: Chairman and Chief Executive Officer

STEAK N SHAKE OPERATIONS, INC.

By: /s/ Sardar Biglari

Name: Sardar Biglari

Title: Chairman and Chief Executive Officer

/s/ Sardar Biglari

SARDAR BIGLARI

/s/ Philip L. Cooley

PHILIP L. COOLEY

**Schedule B****Transactions in the securities of the Issuer since the filing of Amendment No. 18 to the Schedule 13D**

<b><u>Class of Security</u></b>	<b><u>Securities Purchased/(Sold)</u></b>	<b><u>Price Per Share (\$)</u></b>	<b><u>Date of Purchase/Sale</u></b>
	<b><u>BIGLARI HOLDINGS INC.</u></b>		
Common Stock	4,000	\$66.6204	10/15/2012

October 18, 2012

Cracker Barrel Old Country Store, Inc.  
305 Hartmann Drive  
Lebanon, Tennessee 37087  
Attention: Michael Zylstra, Vice President, General Counsel and Secretary

Dear Mr. Zylstra:

Our client, Biglari Holdings Inc., an Indiana corporation (“Biglari Holdings”), is the beneficial owner of 4,125,037 shares of common stock, par value \$0.01 per share (the “Common Stock”), of Cracker Barrel Old Country Store, Inc., a Tennessee corporation (the “Company” or “Cracker Barrel”), as of the date hereof. 1,000 shares of Common Stock are held of record by Biglari Holdings, and Cede & Co., as the nominee of The Depository Trust Company, is the holder of record of the remainder of the shares of Common Stock beneficially owned by Biglari Holdings.

On behalf of Biglari Holdings, we previously delivered to the Company a letter, dated October 11, 2012 (the “Letter”), in which Biglari Holdings requested, pursuant to Section 48-26-102 of the Tennessee Code (the “Code”), during the usual hours for business, to inspect certain books, records and documents of the Company, and to make and/or receive copies or extracts therefrom, relating, among other things, to material misrepresentations in the Company’s public filings and statements concerning the professed experience of James W. Bradford, the designated Chairman of the Board (the “Request”). A copy of the Letter is attached hereto as Exhibit 1 and incorporated herein by reference.

Biglari Holdings believes the response to the letter received from the Company’s outside counsel, dated October 15, 2012 (the “Company Response”), which repeatedly attempts to recharacterize material misstatements of fact regarding Mr. Bradford’s prior experience as a “misunderstanding,” is wholly inadequate. The Company Response demonstrates the Cracker Barrel Board’s continuing indifference to a matter of vital importance to shareholders, particularly in light of the upcoming election of directors at the Company’s 2012 annual shareholders’ meeting. The Company Response refuses to provide the vast majority of the information included in the Request on the purported grounds that the Request does not comply with Section 48-26-102 of the Code. The Company Response is a transparent attempt to *appear* reasonable, while ignoring the serious concerns regarding Mr. Bradford’s qualifications and experience, by proffering limited, hand-selected excerpts, which include almost no context, from Board minutes and materials purportedly provided by Mr. Bradford, which are devoid of any identifying notations, including his signature.

It is clear under Section 48-26-102 of the Code that Biglari Holdings is entitled to receive, among other things, minutes of meetings, and other records of action, of the Board and its committees. It is further apparent to Biglari Holdings that any documents, reports and other materials reviewed or considered by the Board, or any committee thereof, in connection with any such meeting regarding Mr. Bradford’s qualifications and experience constitute an integral part of the record thereof and are therefore required to be produced. Moreover, it is entirely evident, even from the extremely limited excerpts made available by the Company, that there was a glaring and material inconsistency between the information purportedly provided by Mr. Bradford and the offending disclosure contained in the Company’s public filings and statements, and that the following information is therefore critical to determine how these materially misleading statements occurred. Accordingly, Biglari Holdings hereby modifies the Request to demand the following information:

1. Any and all materials provided by or on behalf of, or regarding, James Bradford (whether or not executed) in connection with his candidacy or appointment to the Board, his appointment as a member or as Chairman of the Nominating Committee, his designation as incoming Chairman of the Board, or the preparation or filing of any proxy material containing information about Mr. Bradford filed by the Company with the Securities and Exchange Commission (the "SEC") in connection with its 2011 or 2012 annual shareholders' meeting, which materials (including, without limitation, such proxy materials) were considered or reviewed in connection with any meeting of the Board or any committee thereof;
2. Any and all reports, background checks, and other materials commissioned or prepared by or on behalf of the Company, the Board or any committee thereof, in connection with the candidacy or appointment of Mr. Bradford to the Board, his appointment as a member or as Chairman of the Nominating Committee, or his designation as incoming Chairman of the Board, and considered or reviewed in connection with any meeting of the Board or any committee thereof;
3. Any and all minutes, transcripts, notes and other records of, and any related documents and materials provided in connection with, any meetings of the Board, or any committee thereof, discussing Mr. Bradford's candidacy or appointment to the Board, his appointment as a member or as Chairman of the Nominating Committee, his appointment as incoming Chairman of the Board, or any proxy material containing information about Mr. Bradford filed by the Company with the SEC in connection with its 2011 or 2012 annual shareholders' meeting, including, but not limited to, any transcripts of interviews of Mr. Bradford; and
4. Any D&O questionnaires completed by Mr. Bradford, which Cracker Barrel explicitly requires of all nominees standing for election to the Board.

Alternatively, Biglari Holdings is willing to further refine its Request if Mr. Bradford provides a satisfactory answer to the following questions:

1. Did Mr. Bradford read his biographical information contained in (a) the Company's preliminary, revised preliminary and definitive proxy statements for both its 2011 and 2012 annual shareholders' meetings filed with the SEC on October 11, 2011, October 25, 2011, November 8, 2011, September 11, 2012, September 28, 2012, and October 4, 2012, (b) CEO Sandra Cochran's letter to shareholders dated October 4, 2012, and (c) the investor presentation Ms. Cochran delivered to the Wells Fargo Retail & Restaurants Conference on October 2, 2012?
2. If so, why did Mr. Bradford not correct the material inaccuracy in each of the foregoing public documents claiming that he was CEO of a New York Stock Exchange-listed company?

Biglari Holdings anticipates Mr. Bradford's prompt response to the foregoing inquiries. In the event Mr. Bradford declines to address these concerns, please advise as promptly as practicable where and when the items demanded above will be made available.

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Biglari Holdings has designated and authorized the undersigned and Michael R. Neidell of Olshan Frome Wolosky LLP and any other persons designated by them or by Biglari Holdings, acting singly or in any combination, to conduct the inspection and copying herein requested. Pursuant to Section 48-26-102 of the Code, you are required to respond to this demand within five business days of the date hereof. Accordingly, please advise the undersigned, at (212) 451-2333, as promptly as practicable within the requisite timeframe, when and where the items requested above will be made available to Biglari Holdings.

Very truly yours,

/s/ Steve Wolosky

Steve Wolosky

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State of New York            )  
  ) ss:  
County of New York        )

SARDAR BIGLARI, being sworn, states: The information and facts stated in the attached letter regarding Biglari Holdings Inc.'s ownership and the purpose of this demand for inspection are true and correct. Such inspection is reasonably related to Biglari Holdings Inc.'s interest as a shareholder and is not desired for a purpose which is in the interest of a business or object other than the business of Cracker Barrel Old Country Store, Inc.

\_\_\_\_\_  
/s/ Sardar Biglari  
Sardar Biglari

SWORN TO AND SUBSCRIBED

before me this 18th day of

October, 2012

/s/ Helen May Posner  
\_\_\_\_\_

NOTARY PUBLIC

My commission expires: December 14, 2014

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Exhibit 1

OLSHAN

PARK AVENUE TOWER • 65 EAST 55TH STREET • NEW YORK, NEW YORK 10022  
TELEPHONE: 212.451.2300 • FACSIMILE: 212.451.2222

EMAIL: SWOLOSKY@OLSHANLAW.COM  
DIRECT DIAL: 212.451.2333

October 11, 2012

Cracker Barrel Old Country Store, Inc.  
305 Hartmann Drive  
Lebanon, Tennessee 37087  
Attention: Michael Zylstra, Vice President, General Counsel and Secretary

Dear Mr. Zylstra:

Our client, Biglari Holdings Inc., an Indiana corporation (“Biglari Holdings”), is the beneficial owner of 4,091,037 shares of common stock, par value \$0.01 per share (the “Common Stock”), of Cracker Barrel Old Country Store, Inc., a Tennessee corporation (the “Company” or “Cracker Barrel”), as of the date hereof. 1,000 shares of Common Stock are held of record by Biglari Holdings, and Cede & Co., as the nominee of The Depository Trust Company, is the holder of record of the remainder of the shares of Common Stock beneficially owned by Biglari Holdings.

As the beneficial owner of shares of Common Stock, Biglari Holdings hereby demands, pursuant to Section 48-26-102 of the Tennessee Code (the “Code”), during the usual hours for business, to inspect the books, records and documents of the Company described below and to make and/or receive copies or extracts therefrom. Biglari Holdings is demanding this information for the following purposes:

1. To investigate wrongdoing or possible mismanagement by Cracker Barrel’s management and/or any member(s) or committee(s) of the Board of Directors of Cracker Barrel (the “Board”) in connection with the statements made by Cracker Barrel in its proxy statement filed with the Securities and Exchange Commission (the “SEC”) on October 4, 2012 (the “2012 Proxy Statement”) with respect to the Company’s 2012 annual shareholders’ meeting (the “2012 Annual Meeting”), as well as its proxy statement filed with the SEC on November 8, 2011 (the “2011 Proxy Statement”) with respect to the Company’s 2011 annual shareholders’ meeting (the “2011 Annual Meeting”), regarding the qualifications of designated Chairman James W. Bradford as “President and Chief Executive Officer of AFG Industries Inc., which during his tenure was North America’s largest vertically integrated glass manufacturing and fabrication company and was traded on the New York Stock Exchange (the ‘NYSE’).”
2. To investigate wrongdoing or possible mismanagement by Cracker Barrel’s management and/or any member(s) or committee(s) of its Board in connection with the statements by Cracker Barrel’s Chief Executive Officer (“CEO”), Sandra B. Cochran, on October 2, 2012 and October 4, 2012 that Jim Bradford was “the former CEO of [a] New York Stock Exchange company” and “former NYSE company CEO,” respectively.
3. To investigate wrongdoing or possible mismanagement by any member(s) or committee(s) of the Board in connection with the nomination of Mr. Bradford to the Board, his appointment as Chairman of the Nominating and Corporate Governance Committee of the Board (the “Nominating Committee”), and his designation as incoming Chairman of the Board.



### **Overview of Wrongdoing, Mismanagement and Corporate Governance Failures**

In connection with the election of directors at the 2012 Annual Meeting and the 2011 Annual Meeting, certain public filings and statements were made by the Company, including statements contained in the 2012 Proxy Statement and the 2011 Proxy Statement, as well as statements made by CEO Sandra B. Cochran, highlighting designated Chairman James W. Bradford's professed prior experience as CEO of a New York Stock Exchange ("NYSE")-listed company. However, a public search reveals that Mr. Bradford has never been CEO of a NYSE company.

Specifically, Cracker Barrel's 2012 Proxy Statement and 2011 Proxy Statement contain the following statement regarding the qualifications of Mr. Bradford:

"An experienced corporate executive, Mr. Bradford previously served ... from 1992 to 1999 as President and Chief Executive Officer of AFG Industries Inc., which during his tenure was North America's largest vertically integrated glass manufacturing and fabrication company and was traded on the New York Stock Exchange (the 'NYSE')."

This assertion was repeated to investors at the Wells Fargo Retail & Restaurants Conference on October 2, 2012 by Ms. Cochran, who stated that "Jim Bradford, who was the former CEO of [a] New York Stock Exchange company, and he's now the Dean of the Business School at Vanderbilt...." Then on October 4, 2012, Ms. Cochran wrote a letter to shareholders highlighting the changes to the Board by stressing the experience of the incoming Chairman: "[Michael Woodhouse] will be succeeded by Jim Bradford, a former NYSE company CEO ...."

As the largest shareholder of the Company, beneficially owning approximately 17.3% of the Company's outstanding shares, Biglari Holdings felt it was important to understand Mr. Bradford's performance as a purportedly former CEO of a public company, in view of his recent appointment as the incoming Chairman of the Board, as well as Ms. Cochran's statements underlining his position as "a former NYSE company CEO." Accordingly, Biglari Holdings conducted a public search of Mr. Bradford's background, which revealed that he has never been CEO of a NYSE company, contrary to the Company's disclosures in filings made with the SEC and the statements made by Ms. Cochran.

On October 8, 2012, Biglari Holdings sent a letter to the Board informing them of the misrepresentations in the Company's SEC filings, investor presentation and letter to shareholders regarding Mr. Bradford's purported experience as former CEO of a NYSE company. In the letter, Biglari Holdings demanded the Board to conduct immediately an independent investigation to understand whether Mr. Bradford misrepresented his prior position to the Board and thereby led Ms. Cochran to misrepresent Mr. Bradford's credentials to the public and to determine whether the Company's Code of Business Conduct and Ethics has been violated. The letter also requested a separate review to be conducted to understand fully the process by which background checks and the vetting are conducted by the Nominating Committee, which bears responsibility for the accuracy of the credentials of Board members.

On October 9, 2012, the Company issued a press release on October 9, 2012 responding to Biglari Holdings' inquiries in which it asserted that the public filings and statements made by Cracker Barrel, including those by Ms. Cochran, highlighting designated Chairman Mr. Bradford's ostensible prior experience as CEO of a NYSE-listed company, were a "misunderstanding."

Biglari Holdings believes that Cracker Barrel's response inadequately explains such a materially misleading inaccuracy in Cracker Barrel's public filings and statements which reflects poorly on the entire Board's governance process. The inaccurate disclosure in Mr. Bradford's biography was contained in both the 2012 Proxy Statement and 2011 Proxy Statement and has been repeated by Ms. Cochran during the proxy contest with respect to the 2012 Annual Meeting. Because the 2011 Proxy Statement had the same claim on Mr. Bradford's credentials, Biglari Holdings find it quite troubling that this embellishment has been left uncorrected.

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Accordingly, Biglari Holdings believes that the material inaccuracy in Cracker Barrel's public statements and filings regarding Mr. Bradford's experience creates significant doubt as to the thoroughness of the entire Board nomination process and oversight of the accuracy of the Company's public filings and statements.

The time period covered by this demand is from June 2011 through the present. Biglari Holdings is prepared to execute a confidentiality agreement with terms reasonably satisfactory to Biglari Holdings and the Company in connection with the requests below and will abide by the terms of that agreement, to facilitate the provision of the information requested hereby.

The Books and Records to be made available for inspection and copying are as follows:

1. Any and all materials provided by or on behalf of James Bradford (whether or not executed) in connection with his candidacy or appointment to the Board, his appointment as a member or as Chairman of the Nominating Committee, or his designation as incoming Chairman of the Board;
2. Any and all communications between Mr. Bradford and the Company, the Board or any committee thereof concerning (i) Mr. Bradford's designation as incoming Chairman of the Board, (ii) Mr. Bradford's appointment as a member or as Chairman of the Nominating Committee, or (iii) Mr. Bradford's candidacy or appointment to the Board;
3. Any and all reports, background checks, and other materials commissioned or prepared by or on behalf of the Company, the Board or any committee thereof, in connection with the candidacy or appointment of Mr. Bradford to the Board, his appointment as a member or as Chairman of the Nominating Committee, or his designation as incoming Chairman of the Board;
4. Any and all minutes, transcripts, notes and other records of any meetings (including, without limitation, telephone conferences), and any and all e-mail communications, discussing Mr. Bradford's candidacy or appointment to the Board, his appointment as a member or as Chairman of the Nominating Committee, or his appointment as incoming Chairman of the Board, including, but not limited to, interviews of Mr. Bradford;
5. Any D&O questionnaires completed by Mr. Bradford, which Cracker Barrel explicitly requires of all nominees standing for election to the Board;
6. All documents concerning the Board's or Nominating Committee's decision to appoint Mr. Bradford as the incoming Chairman to the Board; and
7. All communications with Mr. Bradford regarding his biography contained in the Company's public filings with the SEC, investor presentations and communications to shareholders.

Biglari Holdings demands that modifications, additions or deletions to any and all information referred to in paragraphs (1) through (7) be immediately furnished as such modifications, additions or deletions become available to the Company or its agents or representatives.

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Please advise as promptly as practicable where and when the items demanded above will be made available. If the Company has not responded within five business days of the date of this demand, Biglari Holdings will assume the Company does not intend to comply and will proceed accordingly.

Biglari Holdings has designated and authorized the undersigned and Michael R. Neidell of Olshan Frome Wolosky LLP and any other persons designated by them or by Biglari Holdings, acting singly or in any combination, to conduct the inspection and copying herein requested. Pursuant to Section 48-26-102 of the Code, you are required to respond to this demand within five business days of the date hereof. Accordingly, please advise the undersigned, at (212) 451-2333, as promptly as practicable within the requisite timeframe, when and where the items requested above will be made available to Biglari Holdings. If the Company contends that this demand is incomplete or is otherwise deficient in any respect, please notify Biglari Holdings immediately in writing, with a copy to the undersigned, by facsimile at (212) 451-2222, setting forth the facts that the Company contends support its position and specifying any additional information believed to be required. In the absence of such prompt notice, Biglari Holdings will assume that the Company agrees that this demand complies in all respects with the requirements of the Code. Biglari Holdings reserves the right to withdraw or modify this demand at any time.

Very truly yours,

/s/ Steve Wolosky

Steve Wolosky

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State of Texas            )  
                                  ) ss:  
County of Bexar         )

SARDAR BIGLARI, being sworn, states: The information and facts stated in the attached letter regarding Biglari Holdings Inc.'s ownership and the purpose of this demand for inspection are true and correct. Such inspection is reasonably related to Biglari Holdings Inc.'s interest as a shareholder and is not desired for a purpose which is in the interest of a business or object other than the business of Cracker Barrel Old Country Store, Inc.

\_\_\_\_\_  
/s/ Sardar Biglari  
Sardar Biglari

SWORN TO AND SUBSCRIBED

before me this 11th day of

October, 2012

/s/ Vilma Amell  
\_\_\_\_\_

NOTARY PUBLIC

My commission expires: 2/25/2014