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

**SCHEDULE 13D**  
Under the Securities Exchange Act of 1934  
(Amendment No. 5)\*

**Big 5 Sporting Goods Corporation**

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(Name of Issuer)

**Common Stock**

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(Title of Class of Securities)

**08915P101**

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(CUSIP Number)

**Stadium Capital Management, LLC**  
**199 Elm Street**  
**New Canaan, CT 06840-5321**  
**(203) 972-8235**

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

**December 18, 2014**

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(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 section 240.13d-7 for other parties to whom copies are to be sent.

\*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).

**Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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CUSIP No. **08915P101**

13D

(1) NAMES OF REPORTING PERSONS. I.R.S. Identification nos. of above persons (entities only)  
**Stadium Capital Management GP, L.P.**

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)  
(a)  (b)

(3) SEC USE ONLY

(4) SOURCE OF FUNDS (see instructions)

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

(6) CITIZENSHIP OR PLACE OF ORGANIZATION  
**Delaware**

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(7) SOLE VOTING POWER
	-0- shares
	(8) SHARED VOTING POWER
	2,513,220 shares
	(9) SOLE DISPOSITIVE POWER
	-0- shares
(10) SHARED DISPOSITIVE POWER	
2,513,220 shares	

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
**2,513,220** shares

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
**11.3%**

(14) TYPE OF REPORTING PERSON (see instructions)  
**PN**

CUSIP No. **08915P101**

13D

(1) NAMES OF REPORTING PERSONS. I.R.S. Identification nos. of above persons (entities only)  
**Stadium Capital Management, LLC**

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)  
(a)  (b)

(3) SEC USE ONLY

(4) SOURCE OF FUNDS (see instructions)

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

(6) CITIZENSHIP OR PLACE OF ORGANIZATION  
**Delaware**

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(7) SOLE VOTING POWER
	-0- shares
	(8) SHARED VOTING POWER
	2,513,220 shares
	(9) SOLE DISPOSITIVE POWER
	-0- shares
(10) SHARED DISPOSITIVE POWER	
2,513,220 shares	

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
**2,513,220 shares**

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
**11.3%**

(14) TYPE OF REPORTING PERSON (see instructions)  
**IA, OO**

CUSIP No. **08915P101**

13D

(1) NAMES OF REPORTING PERSONS. I.R.S. Identification nos. of above persons (entities only)  
**Alexander M. Seaver**

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)  
(a)  (b)

(3) SEC USE ONLY

(4) SOURCE OF FUNDS (see instructions)

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

(6) CITIZENSHIP OR PLACE OF ORGANIZATION  
**United States**

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(7) SOLE VOTING POWER
	-0- shares
	(8) SHARED VOTING POWER
	2,513,220 shares
	(9) SOLE DISPOSITIVE POWER
	-0- shares
(10) SHARED DISPOSITIVE POWER	
2,513,220 shares	

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
**2,513,220** shares

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
**11.3%**

(14) TYPE OF REPORTING PERSON (see instructions)  
**IN**

CUSIP No. **08915P101**

13D

(1) NAMES OF REPORTING PERSONS. I.R.S. Identification nos. of above persons (entities only)  
**Bradley R. Kent**

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)  
(a)  (b)

(3) SEC USE ONLY

(4) SOURCE OF FUNDS (see instructions)

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

(6) CITIZENSHIP OR PLACE OF ORGANIZATION  
**United States**

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(7) SOLE VOTING POWER
	<b>-0-</b> shares
	(8) SHARED VOTING POWER
	<b>2,513,220</b> shares
	(9) SOLE DISPOSITIVE POWER
	<b>-0-</b> shares
(10) SHARED DISPOSITIVE POWER	
<b>2,513,220</b> shares	

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
**2,513,220** shares

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
**11.3%**

(14) TYPE OF REPORTING PERSON (see instructions)  
**IN**

CUSIP No. **08915P101**

13D

(1) NAMES OF REPORTING PERSONS. I.R.S. Identification nos. of above persons (entities only)  
**Stadium Capital Partners, L.P.**

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)  
(a)  (b)

(3) SEC USE ONLY

(4) SOURCE OF FUNDS (see instructions)

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

(6) CITIZENSHIP OR PLACE OF ORGANIZATION  
**California**

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(7) SOLE VOTING POWER
	-0- shares
	(8) SHARED VOTING POWER
	2,286,447 shares
	(9) SOLE DISPOSITIVE POWER
	-0- shares
(10) SHARED DISPOSITIVE POWER	
2,286,447 shares	

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
**2,286,447** shares

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
**10.3%**

(14) TYPE OF REPORTING PERSON (see instructions)  
**PN**

CUSIP No. **08915P101**

13D

(1) NAMES OF REPORTING PERSONS. I.R.S. Identification nos. of above persons (entities only)  
**Stadium Capital Qualified Partners, L.P.**

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)  
(a)  (b)

(3) SEC USE ONLY

(4) SOURCE OF FUNDS (see instructions)

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

(6) CITIZENSHIP OR PLACE OF ORGANIZATION  
**Delaware**

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(7) SOLE VOTING POWER
	-0- shares
	(8) SHARED VOTING POWER
	226,773 shares
	(9) SOLE DISPOSITIVE POWER
	-0- shares
(10) SHARED DISPOSITIVE POWER	
226,773 shares	

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
**226,773 shares**

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
**1.0%**

(14) TYPE OF REPORTING PERSON (see instructions)  
**PN**

## Item 1. Security and Issuer

This statement relates to shares of Common Stock (the "Stock") of **Big 5 Sporting Goods Corporation**, (the "Issuer"). The principal executive office of the Issuer is located at **2525 E. El Segundo Boulevard, El Segundo, CA 90245**.

## Item 2. Identity and Background

The persons filing this statement and the persons enumerated in Instruction C of Schedule 13D and, where applicable, their respective places of organization, general partners, directors, executive officers and controlling persons, and the information regarding them, are as follows:

- (a) **Stadium Capital Management, LLC ("SCM"); Stadium Capital Management GP, L.P. ("SCMGP"); Alexander M. Seaver ("Seaver"); Bradley R. Kent ("Kent"); Stadium Capital Partners, L.P. ("SCP"); Stadium Capital Qualified Partners, L.P. ("SQP")** (collectively, the "Filers").  
**SCP and SQP are filing this statement jointly with the other Filers, but not as member of a group and expressly disclaim membership in a group.**
- (b) The business address of the Filers is  
**199 Elm Street, New Canaan, CT 06840-5321**
- (c) Present principal occupation or employment of the Filers and the name, principal business and address of any corporation or other organization in which such employment is conducted:  
**SCM is an investment adviser and the general partner of SCMGP. Seaver and Kent are the managers of SCM. SCP and SQP are investment limited partnerships, of which SCMGP is the general partner.**
- (d) During the last five years, none of the Filers has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).
- (e) During the last five years, none of the Filers was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.
- (f) **See Item 4 of the cover sheet for each Filer.**

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

The source and amount of funds used in purchasing the Stock were as follows:

Purchaser	Source of Funds	Amount
SCM	Funds Under Management(1)	\$ 25,410,447
SCP	Working Capital	\$ 23,335,660
SQP	Working Capital	\$ 2,074,787

(1) Includes funds of SCP investors in the Stock.



#### **Item 4. Purpose of Transaction**

The Filers purchased shares of Stock for investment purposes.

The Filers are engaged in the investment advisory business. In pursuing this business, the Filers will routinely monitor the Issuer with regard to a wide variety of factors that affect their investment considerations, including, without limitation, current and anticipated future trading prices for the Stock and other securities, the Issuer's operations, assets, prospects, financial position, and business development, Issuer's management, Issuer-related competitive and strategic matters, general economic, financial market and industry conditions, as well as other investment considerations.

Depending on their evaluation of various factors, including those indicated above, the Filers may take such actions with respect to their holdings in the Issuer as they deem appropriate in light of circumstances existing from time to time. Such actions may include the purchase of additional shares of Stock in the open market, through privately negotiated transactions with third parties or otherwise, or the sale at any time, in the open market, through privately negotiated transactions with third parties or otherwise, of all or a portion of the shares of Stock now owned or hereafter acquired by any of them. In addition, the Filers may from time to time enter into or unwind hedging or other derivative transactions with respect to the Stock or otherwise pledge their interests in the Stock as a means of obtaining liquidity. The Filers may from time to time cause any of Stadium Capital Partners, L.P. and Stadium Capital Qualified Partners, L.P. (the "Stadium Capital Funds") to distribute in kind to their respective investors shares of Stock owned by such Stadium Capital Funds. In addition, from time to time the Filers and their representatives and advisers may communicate with other stockholders, industry participants and other interested parties concerning the Issuer. Further, the Filers reserve the right to act in concert with any other stockholders of the Issuer, or other persons, for a common purpose should they determine to do so, and/or to recommend courses of action to the Issuer's management, the Issuer's Board of Directors (the "Board") and the stockholders of the Issuer. Any of the foregoing actions could involve one or more of the events referred to in paragraphs (a) through (j), inclusive, of Item 4 of Schedule 13D, including, potentially, one or more mergers, consolidations, sales or acquisitions of assets, change in control, issuances, purchases, dispositions or pledges of securities or other changes in capitalization.

As previously disclosed, in 2011 SCM began discussions with the management of the Issuer regarding board composition, and specifically about having an SCM representative join the Board. On October 25, 2011, the Board appointed the Filers' designee, Dominic DeMarco, to the Board.

On December 18, 2014, SCM submitted a stockholder proposal pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, to the Issuer for inclusion in the Issuer's proxy statement for its 2015 Annual Meeting of Stockholders. The text of the stockholder proposal is attached as Exhibit B and incorporated herein by reference. The stockholder proposal urges the Board to take all necessary steps to eliminate the classification of the Board and to require that all directors be elected on an annual basis instead of once every three years.

On December 18, 2014, SCM also submitted a letter to the Board outlining some of its concerns with the Issuer's corporate governance practices. The letter notes that Mr. DeMarco previously suggested that the Issuer (i) repeal the classification of the Board; (ii) adopt majority voting in director elections; and (iii) eliminate the supermajority vote requirements in its charter and bylaws. The letter further states that SCM (i) is submitting the stockholder proposal described above; and (ii) invites its fellow stockholders to submit their own Rule 14a-8 stockholder proposals to the Issuer prior to the deadline of January 1, 2015. A copy of the letter is attached as Exhibit C.

Except as set forth in this Statement, the Filers do not presently have any additional plans or proposals that relate to or would result in any of the transactions, events or actions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

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

The beneficial ownership of the Stock by each Filer at the date hereof is reflected on that Filer's cover page. The percentage on the cover pages relating to beneficial ownership of the Stock is based on 22,173,745 shares of Stock outstanding as of October 22, 2014, as reported in the Form 10-Q for the quarterly period ended September 28, 2014 of the Issuer.

The Filers have effected no transactions in the Stock since October 19, 2014.

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer**

SCM is the investment adviser of its clients pursuant to investment management agreements or limited partnership agreements providing to SCM the authority, among other things, to invest the funds of such clients in the Stock, to vote and dispose of the Stock and to file this statement on behalf of such clients. Pursuant to such limited partnership agreements, the general partner of such clients is entitled to allocations based on assets under management and realized and unrealized gains. Pursuant to such investment management agreements, SCM (or SCMGP) is entitled to fees based on assets under management and realized and unrealized gains.

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

<b>Exhibit No.</b>	<b>Description</b>
A	Agreement Regarding Joint Filing of Statement on Schedule 13D or 13G.*
B	Stockholder Proposal Sent to the Issuer Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended.
C	Letter to the Board of Directors, dated December 18, 2014.

\* Previously filed.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: **December 18, 2014**

**STADIUM CAPITAL MANAGEMENT,  
LLC**

By: /s/ Alexander M. Seaver  
Name: Alexander M. Seaver  
Title: Manager

**STADIUM CAPITAL PARTNERS, L.P.**

By: Stadium Capital Management, LLC  
General Partner

By: /s/ Alexander M. Seaver  
Name: Alexander M. Seaver  
Title: Manager

**STADIUM CAPITAL MANAGEMENT GP,  
L.P.**

By: Stadium Capital Management, LLC  
General Partner

By: /s/ Alexander M. Seaver  
Name: Alexander M. Seaver  
Title: Manager

**STADIUM CAPITAL QUALIFIED  
PARTNERS, L.P.**

By: Stadium Capital Management, LLC  
General Partner

By: /s/ Alexander M. Seaver  
Name: Alexander M. Seaver  
Title: Manager

/s/ Bradley R. Kent  
Bradley R. Kent

/s/ Alexander M. Seaver  
Alexander M. Seaver

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
A	Agreement Regarding Joint Filing of Statement on Schedule 13D or 13G.*
B	Stockholder Proposal Sent to the Issuer Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended.
C	Letter to the Board of Directors, dated December 18, 2014.

\* Previously filed.

**TEXT OF STOCKHOLDER PROPOSAL****PROPOSAL TO REPEAL CLASSIFIED BOARD**

RESOLVED, that the stockholders of Big 5 Sporting Goods Corporation (“BGFV”) urge the Board of Directors to take all necessary steps (other than any steps that must be taken by stockholders) to eliminate the classification of the Board of Directors and to require that all directors elected at or after the annual meeting held in 2016 be elected on an annual basis. Implementation of this proposal should not prevent any director elected prior to the annual meeting held in 2016 from completing the term for which such director was elected.

**SUPPORTING STATEMENT**

This resolution was submitted by Stadium Capital Management, LLC (“SCM”), one of the largest stockholders of BGFV.

The resolution urges the Board of Directors to facilitate a declassification of the Board. Having directors stand for elections annually makes directors more accountable to stockholders, and could thereby contribute to improving performance and increasing firm value. As far back as 2003, ISS argued that *“the only real motive for board classification is to make it more difficult to change control of the board. A classified board can (1) delay a takeover desired by shareholders but opposed by management, and (2) prevent bidders from even approaching a target company if they do not want to wait more than a year to gain majority control. Shareholders lose in both cases, and management has less incentive to keep shares fully valued if the directors’ board seats are secure.”* ISS continued to advise voting FOR proposals to repeal classified boards in its 2014 U.S. Proxy Voting Summary Guidelines.

According to data from the ISS 2014 Proxy Season Review:

- More than 140 companies brought management proposals to declassify their boards to a vote at annual meetings during the 2013 and 2014 “proxy seasons”;
- More than 45 precatory declassification proposals were put on the ballot by stockholders during this period; and
- The average percentage of votes cast in favor of stockholder proposals to declassify the boards of U.S. companies exceeded 80% in each year, with 2014’s 84% average support constituting a record.

The significant stockholder support for declassification proposals is consistent with empirical studies reporting that:

- Classified boards are associated with lower firm valuation (Bebchuk and Cohen, 2005; confirmed by Faleye (2007) and Frakes (2007));
  - Takeover targets with classified boards are associated with lower gains to stockholders (Bebchuk, Coates and Subramanian, 2002);
  - Firms with classified boards are more likely to be associated with value-decreasing acquisition decisions (Masulis, Wang and Xie, 2007); and
-

- Classified boards are associated with lower sensitivity of compensation to performance and lower sensitivity of CEO turnover to firm performance (Faleye, 2007).

There are academic studies that reach opposing conclusions. For example, one study (Bates, Becher and Lemmon, 2008) reports that classified boards are associated with higher takeover premiums; however, this study also reports that classified boards are associated with a lower likelihood of an acquisition and that classified boards are associated with lower firm valuation.

Please vote FOR this proposal to make directors more accountable to stockholders.

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## LETTER TO THE BOARD OF DIRECTORS

[Stadium Letterhead]

December 18, 2014

**BY EMAIL**

Big 5 Sporting Goods Corporation  
 2525 East El Segundo Boulevard  
 El Segundo, CA 90245  
 Attn: Board of Directors

Dear Members of the Board of Directors:

As you know, Stadium Capital Management, LLC and its affiliates (“Stadium Capital”) are the largest stockholders of Big 5 Sporting Goods Corporation (the “Company”), with beneficial ownership of over 11% of the Company’s outstanding common stock. Stadium Capital has been a large stockholder for nearly a decade, and in 2011 we requested that you add Dominic DeMarco, one of our Managing Directors, to the Board of Directors. Mr. DeMarco was appointed to the Board in October 2011 and re-nominated in April 2012. At the June 2012 Annual Meeting, he was elected with the approval of over 98% of the votes cast and over 85% of the shares outstanding, higher than the proportions achieved by any other director in that or subsequent elections.

We believe that Mr. DeMarco has added substantial value and brought the perspective of a major stockholder to the boardroom. He has, among other things, (i) helped the Board of Directors obtain and analyze the necessary data to improve rigor around topics including capital allocation and capital structure; (ii) formalized the review of underperforming stores; and (iii) successfully advocated for the first multi-year strategic operating and capital plan produced by Company management in many directors’ memories. Mr. DeMarco formally proposed that the Board consider three non-controversial governance changes at the October 2014 Board meeting. Although Mr. DeMarco does not serve on the Nominating and Corporate Governance Committee—despite several requests to be added—he has consistently observed the Committee’s meetings and is aware of the Committee’s “Meeting Planner”, which lists the October Board meeting as the scheduled time to review governance principles applicable to public companies and recommend any changes to the Company’s policies as necessary. Consequently, at the October Board meeting, Mr. DeMarco proposed that the Company:

- *Repeal the Classified Board.* The Company’s “staggered board” means that only a few directors stand for election each year. In the words of BlackRock, Inc., the Company’s second largest shareholder as of September 30, 2014 (“BlackRock”), “classification of the board dilutes shareholders’ right to evaluate promptly a board’s performance and limits shareholder selection of their representatives”.<sup>(1)</sup>
- *Adopt Majority Voting in Director Elections.* Again quoting BlackRock, “majority voting standards assist in ensuring that directors who are not broadly supported by shareholders are not elected to serve as their representatives”.<sup>(1)</sup> Plurality voting of the type used by the Company results in “rubber stamp” elections and further entrenches the Board of Directors.

<sup>(1)</sup> From BlackRock, Inc. “Proxy voting guidelines for U.S. securities”, dated April 2014, <http://www.blackrock.com/corporate/en-it/literature/fact-sheet/blk-responsible-investment-guidelines-us.pdf>

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- *Eliminate Supermajority Vote Requirements in the Charter and Bylaws.* The Company's charter and bylaws are littered with unusually high supermajority vote requirements, each of which appears specifically intended to frustrate the will of a majority of the Company's stockholders. Looking at the most egregious example, it currently takes a vote of 80% of the outstanding common stock for the Company's stockholders to remove a director for cause. Further, in no instance should it require a vote of 80% of a company's outstanding common stock for stockholders to be able to amend a company's bylaws.

The three changes proposed by Mr. DeMarco address glaring governance weaknesses at the Company, are overwhelmingly favored by the governance community and institutional shareholders generally, and sought by the largest owners of the Company specifically. The Company continues to receive low and worsening marks for corporate governance. For example, its Institutional Shareholder Services ("ISS") "Quickscore" fell from 6 to 9 from 2013 to 2014 (with 1 indicating lower risk and 10 indicating higher risk). Specific "red flags", which indicate that the "number of points in this subcategory are at the bottom of the possible range", were cited for "takeover defenses" and "voting formalities". The three governance changes sought by Mr. DeMarco not only address these deficiencies directly but, according to ISS, were the three most highly supported governance-related shareholder proposal topics during the 2014 "proxy season". Specifically, during this period, average stockholder support for board declassification was 84%, with proposals focused on majority voting and the reduction or elimination of supermajority vote requirements garnering support of 57% and 67%, respectively. <sup>(2)</sup> Given Stadium Capital's status as the Company's largest stockholder and the BlackRock governance whitepaper cited above, it appears highly likely that the Company's stockholder base would welcome these three governance changes. In short, these changes are long overdue, are consistent with stockholder desires, and well understood by any director who has been paying attention to governance trends over the last several years.

Considering (i) the Company's poor and worsening governance scores; (ii) the broad institutional support for the proposed changes; (iii) the fact that such changes have been discussed in detail in a variety of governance literature for years; and (iv) that October is the planned time for the Nominating and Corporate Governance Committee to address such matters, Mr. DeMarco expected the Board of Directors to be both enthusiastic about reform and prepared to make such reforms in a timely manner. Unfortunately, neither has proven to be true. Directors were largely silent during the October meeting and have provided no further feedback on the merits of Mr. DeMarco's proposals. Instead, they have offered to discuss the proposals in the February 2015 meeting of the Nominating and Corporate Governance Committee. As Mr. DeMarco has stated privately on numerous occasions, this delay is not acceptable because the deadline to submit stockholder proposals for the 2015 Annual Meeting is January 1, 2015. By arbitrarily waiting until February 2015 to decide on these critical matters, the Board is creating a situation whereby it can ignore obvious stockholder preferences and governance trends and not be accountable for this action until the Annual Meeting in mid-2016. This is unacceptable.

<sup>(2)</sup> From ISS 2014 Proxy Season Review: United States

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Rather than risk waiting nearly 18 months for reform, we are submitting a Rule 14a-8 stockholder proposal to the Company urging the Board of Directors to take all steps necessary to eliminate the Company's "staggered board" and require that all directors elected at or after the 2016 Annual Meeting be elected on an annual basis. Unfortunately, each stockholder is only permitted to submit one proposal per year. We chose to focus on Board declassification and are confident that our fellow stockholders will agree with us regarding the urgency and merits of this particular proposal. We also believe that many of our fellow stockholders share our views about the need for substantial governance reform at the Company, and therefore invite them to submit their own Rule 14a-8 stockholder proposals prior to the deadline of January 1, 2015. It is our sincere hope that the Board of Directors will immediately undertake a comprehensive review of the Company's governance practices with the goal of making substantial improvements prior to the 2015 Annual Meeting, and obviate the need for any such proposals, ours included. Mr. DeMarco stands ready to be a constructive participant in that process.

\* \* \*

We never take lightly the significance of publicly disclosing our concerns with one of our investments, and it is not Mr. DeMarco's preference to generate any Board controversy. Those preferences notwithstanding, we will not hesitate to ensure that the Board of Directors is both accountable to and focused on the best interests of its stockholders. We are committed to improving the corporate governance and business and financial performance of the Company. In doing so, we are confident that we will improve the value of the Company for the benefit of all of its stockholders.

Very truly yours,

The Investment Committee of Stadium Capital  
Management, LLC

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