

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

_____ Individually and on)
Behalf of All Others Similarly Situated,)
)
Plaintiff,)
)
vs.)
)
RUBY TUESDAY, INC., JAMES J.)
BUETTGEN, MICHAEL O. MOORE and)
KIMBERLY S. GRANT,)
)
Defendants.)
_____)

Civil Action No. _____

Judge _____

CLASS ACTION

DEMAND FOR JURY TRIAL

COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS

Plaintiff [REDACTED] (“Plaintiff”) has alleged the following based upon the investigation of Plaintiff’s counsel, which included a review of United States Securities and Exchange Commission (“SEC”) filings by Ruby Tuesday, Inc. (“Ruby Tuesday” or the “Company”), as well as regulatory filings and reports, securities analysts’ reports and advisories about the Company, press releases and other public statements issued by the Company, and analyst and media reports about the Company. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a securities class action on behalf of purchasers of the common stock of Ruby Tuesday between April 11, 2013 and October 9, 2013, inclusive (the “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

JURISDICTION AND VENUE

2. The claims asserted herein arise under and pursuant to §§10(b) and 20(a) of the Exchange Act [15 U.S.C. §§78j(b) and 78t(a)] and Rule 10b-5 promulgated thereunder by the SEC [17 C.F.R. §240.10b-5].

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and §27 of the Exchange Act.

4. Venue is proper in this District pursuant to §27 of the Exchange Act and 28 U.S.C. §1391(b), as a substantial part of the acts or omissions giving rise to the claims alleged herein occurred within this District, and Defendants are subject to personal jurisdiction in this District. Ruby Tuesday is organized under the laws of Georgia, was headquartered in Alabama until moving its headquarters to Tennessee in 1998, and operates more than 775 restaurants internationally, including 13 restaurants in this District.

5. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to,

the mails, interstate telephone communications and the facilities of the New York Stock Exchange (“NYSE”).

PARTIES

6. Plaintiff [REDACTED] as set forth in the accompanying certification and incorporated by reference herein, purchased the common stock of Ruby Tuesday during the Class Period and has been damaged thereby.

7. Defendant Ruby Tuesday, together with its subsidiaries, owns, develops, operates, and franchises a chain of casual dining restaurants in the United States, Guam, and internationally, under the Ruby Tuesday and Lime Fresh (defined below) brands. As of March 5, 2013, the Company owned and operated 709, and franchised 77, Ruby Tuesday restaurants, and owned and operated 16 Lime Fresh restaurants. The Company’s stock traded on the New York Stock Exchange (“NYSE”), an efficient market, during the Class Period under the ticker symbol “RT.” As of April 9, 2013, the Company had more than 60.9 million shares issued and outstanding.

8. Defendant James J. Buettgen (“Buettgen”), at all relevant times, served as President, Chief Executive Officer (“CEO”) and a director of Ruby Tuesday.

9. Defendant Michael O. Moore (“Moore”), at all relevant times, served as Executive Vice President, Chief Financial Officer (“CFO”) and Assistant Secretary of Ruby Tuesday.

10. Defendant Kimberly S. Grant (“Grant”) served as the Company’s Chief Operations Officer and President of Ruby Tuesday Concept until her employment was terminated on June 7, 2013.

11. Defendants Buettgen, Moore and Grant are collectively referred to herein as the “Individual Defendants.”

12. During the Class Period, the Individual Defendants, as senior executive officers and/or directors of Ruby Tuesday, were privy to confidential and proprietary information concerning

Ruby Tuesday, its operations, finances, financial condition and present and future business prospects. The Individual Defendants also had access to material adverse non-public information concerning Ruby Tuesday, as discussed in detail below. Because of their positions with Ruby Tuesday, the Individual Defendants had access to non-public information about its business, finances, products, markets and present and future business prospects via internal corporate documents, conversations and connections with other corporate officers and employees, attendance at management and/or board of directors meetings and committees thereof and via reports and other information provided to them in connection therewith. Because of their possession of such information, the Individual Defendants knew or recklessly disregarded that the adverse facts specified herein had not been disclosed to, and were being concealed from, the investing public.

13. The Individual Defendants are liable as direct participants in the wrongs complained of herein. In addition, the Individual Defendants, by reason of their status as senior executive officers and/or directors, were “controlling persons” within the meaning of §20(a) of the Exchange Act and had the power and influence to cause the Company to engage in the unlawful conduct complained of herein. Because of their positions of control, the Individual Defendants were able to and did, directly or indirectly, control the conduct of Ruby Tuesday’s business.

14. The Individual Defendants, because of their positions with the Company, controlled and/or possessed the authority to control the contents of its reports, press releases and presentations to securities analysts and through them, to the investing public. The Individual Defendants were provided with copies of the Company’s reports and press releases alleged herein to be misleading, prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Thus, the Individual Defendants had the opportunity to commit the fraudulent acts alleged herein.

15. As senior executive officers and/or directors and as controlling persons of a publicly traded company whose common stock was, and is, registered with the NYSE and governed by the federal securities laws, the Individual Defendants had a duty to promptly disseminate accurate and truthful information with respect to Ruby Tuesday's financial condition and performance, growth, operations, financial statements, business, products, markets, management, earnings and present and future business prospects, and to correct any previously issued statements that had become materially misleading or untrue, so that the market price of Ruby Tuesday common stock would be based upon truthful and accurate information. The Individual Defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.

16. Defendants are liable as participants in a fraudulent scheme and course of conduct that operated as a fraud or deceit on purchasers of Ruby Tuesday common stock by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme: (i) deceived the investing public regarding Ruby Tuesday's business, operations and management and the intrinsic value of Ruby Tuesday common stock; (ii) allowed Ruby Tuesday to issue registered notes that replaced unregistered notes offered in a private placement; and (iii) caused Plaintiff and members of the Class to purchase Ruby Tuesday common stock at artificially inflated prices.

CLASS ACTION ALLEGATIONS

17. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all those who purchased the common stock of Ruby Tuesday between April 11, 2013 and October 9, 2013, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

18. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Ruby Tuesday common stock was actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Ruby Tuesday or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

19. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law complained of herein.

20. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class action and securities litigation.

21. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- (a) whether the federal securities laws were violated by Defendants' acts as alleged herein;
- (b) whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business and operations of Ruby Tuesday;
- (c) whether the price of Ruby Tuesday common stock was artificially inflated during the Class Period; and
- (d) to what extent the members of the Class have sustained damages and the proper measure of damages.

22. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

BACKGROUND TO THE CLASS PERIOD

23. Defendant Ruby Tuesday is an American multinational foodservice retailer founded in 1972 by Samuel E. (Sandy) Beall, III (“Beall”), who served as its long-term Chairman of the Board and CEO. The Company’s flagship restaurant brand is Ruby Tuesday, an American cuisine casual dining restaurant chain.

24. In August 2007, under Beall’s leadership, Ruby Tuesday began venturing into other restaurant concepts, acquiring Asian dining restaurant concept Wok Hay. In early 2010, Ruby Tuesday acquired the development rights to Truffles Grill (“Truffles”) and introduced its home-grown Marlin & Ray’s Seafood & Sunsets (“Marlin & Ray’s”) restaurant concept. In September 2010, Ruby Tuesday also agreed to license the Lime Fresh Mexican Grill brand (“Lime Fresh”).

25. Following a decline in sales in the wake of the 2008 financial crisis, Beall reportedly made it his mission to move the Ruby Tuesday brand more upscale, redesigning restaurants and menus to meet the desires of higher-end consumers. Beginning in 2011, the Company began converting some of its poorly performing Ruby Tuesday concept restaurants into the new brand concepts and further expanding its chain of Lime Fresh licensed restaurants. As explained in the Company’s 2012 Annual Report:

During fiscal 2011, we began converting certain underperforming Ruby Tuesday restaurants to other concepts. To that end, we entered into a licensing agreement which allows us to operate multiple Truffles® restaurants, an upscale café concept offering a diverse menu. Another conversion concept available to us is Marlin & Ray’s™, an internally-developed seafood concept.

Also in fiscal 2011, we entered into a licensing agreement which allows us to operate multiple Lime Fresh Mexican Grill® (“Lime Fresh”) restaurants, a fast casual Mexican concept. We opened four Lime Fresh restaurants during fiscal 2012 under the terms of the licensing agreement.

26. On April 4, 2012, Ruby Tuesday announced that it had agreed to acquire the entire Lime Fresh brand for \$24 million cash, including acquiring seven additional Lime Fresh concept restaurants, the royalty stream from five Lime Fresh concept franchised restaurants, and Lime Fresh’s brand name and intellectual property. When the transaction closed on April 11, 2012, Ruby Tuesday recorded approximately \$8 million of goodwill reflecting the extent to which the Lime Fresh purchase price exceeded the estimated fair value of the net assets acquired. As explained by Beall in the Company’s April 4, 2012 press release announcing the acquisition: “[T]his brand has significant growth potential given its low capital requirements and strong EBITDA margin potential and we tentatively have plans to add 20 Lime locations in Fiscal 2013 and 30 in Fiscal 2014.”

27. However, on June 6, 2012, Beall suddenly announced he was leaving Ruby Tuesday. In November 2012, Defendant Buettgen, who had most recently been serving as Senior Vice President and Chief Marketing Officer at Darden Restaurants, was named Ruby Tuesday’s CEO.

28. On January 9, 2013, after posting a second quarter 2013 loss of \$15.1 million, or \$0.24 per share (for the quarter ended December 4, 2012), Ruby Tuesday announced it had decided to immediately close all 13 Marlin & Ray’s restaurants and close its one remaining Wok Hay location, completely exiting from both of those concepts, and seek a buyer for its two licensed Truffles restaurants. The Company also stated that it would close two Company-developed Lime Fresh restaurants, emphasizing those were Lime Fresh restaurants that Ruby Tuesday had developed on its own since acquiring Lime Fresh, not Lime Fresh restaurants acquired in the April 2012 Lime Fresh acquisition. The Company reported taking a \$16.9 million related impairment charge in connection with these restaurant closures and anticipated sales.

29. However, as to the Company's overall operations at its flagship Ruby Tuesday concept restaurants, making up the vast majority of its stores, the Company reported its second quarter in a row of positive same-store sales growth. And despite what it then described as a "challenging economic environment," the Company forecast "flat" same-store sales for the remainder of fiscal 2013 (ending June 4, 2013).

30. As Defendant Buettgen explained to *Nation's Restaurant News* in a January 29, 2013 report entitled "Ruby Tuesday CEO plots new path for company," "[t]he goal" behind closing the other concepts "was to refocus the . . . [C]ompany on its core Ruby Tuesday brand[.]" adding the "[C]ompany also plan[ned] to expand Lime Fresh[.]" Buettgen further elaborated on the extensive changes he was then making to reverse Beall's attempts to make the Ruby Tuesday concept more upscale, explaining: "I think what you'll see in the coming quarters is that you'll start to see *new menu items and a greater range on price points.*"¹ Responding to *Nation's Restaurant News'* statement/question that "[t]hroughout the 2000s, former CEO Sandy Beall tried to reposition Ruby Tuesday as a higher-end casual-dining destination. *Do you plan to continue that trend?*," Buttegen responded:

We're early on in our thoughts for strategic change, but there are a couple of things I can tell you that you'll see from Ruby Tuesday going forward. *Directionally, you'll see the brand steer toward affordability and approachability. You may see a menu that's got a wider range of price points and foods that are less center-of-the-plate, entrée-driven. You'll see more sandwiches and salads fitting a broader range of occasions.*

31. On February 14, 2013, in the midst of Buettgen's turnaround effort, Ruby Tuesday's Executive Vice President and Chief Branding Officer, Daniel P. Dillon, suddenly resigned.

¹ Unless otherwise indicated, all emphasis is added.

**DEFENDANTS' MATERIALLY FALSE AND MISLEADING
STATEMENTS ISSUED DURING THE CLASS PERIOD**

32. The Class Period begins on April 11, 2013. On the prior evening, after the close of trading, the Company issued a press release reporting its financial and operating results for the third quarter 2013 (ended March 5, 2013). The press release reported declines in sales at the Company's flagship Ruby Tuesday restaurant chain, with same-store sales dropping 2.8%, yet quoted Defendant Buettgen as stating that Defendants were "pleased with the progress [they had] made in evolving the Ruby Tuesday brand over the past quarter[.]" that the "initiatives [they were] working on [would] shift consumers' perceptions of the brand toward a more mainstream, lively, and approachable position[.]" that they had "already introduced a handful of new menu items, and [their] current advertising and merchandising materials portray[ed] a more fun, casual, and affordable personality for the brand[.]" and that as they "broaden[ed] the brand's appeal and ma[d]e it relevant for more everyday occasions, [the Company would] be able to more effectively compete in the marketplace." Defendant Buettgen also emphasized the new strategy was proceeding on track, stating, in pertinent part, as follows:

While the current operating environment is likely to remain volatile, we are optimistic about the potential of our brand. *We believe that with the right combination of strategy, consumer insights, positioning, and execution, we can return to a path of same-restaurant guest count and sales growth, and create value for our shareholders as a result.*

33. The release also provided the following "Fiscal Year 2013 Guidance From Continuing Operations (Except for Capital Expenditures and Free Cash Flow)," projecting "flat" fiscal 2013 Company-wide sales and improved operating margins and earnings, with the release stating, in pertinent part, as follows:

- Same-Restaurant Sales – Company-owned restaurant same-restaurant sales are estimated to be approximately flat for the year
- Company-Owned Restaurant Development – Plan to open eight to nine Lime Fresh restaurants, close two Lime Fresh restaurants, and close six to seven Company-owned Ruby Tuesday restaurants

- Franchise Restaurant Development – Our domestic franchisees plan to open one Lime Fresh restaurant. Our international franchisees plan to open four to five restaurants, two of which are Lime Fresh restaurants, and close four to five restaurants.
- Restaurant Operating Margins – Estimated to improve approximately 100 basis points due to cost savings initiatives

* * *

- Diluted Earnings Per Share from Continuing Operations – Estimated to be in the \$0.18 to \$0.22 range for the year. Excluding the CEO pension settlement expense, new CEO transition expenses, and other closing-related costs primarily from our previously-announced non-core brand and Lime Fresh closures, diluted earnings per share for the year are estimated to be in the \$0.28 to \$0.32 range. Both guidance ranges above are exclusive of the net loss per share from discontinued operations for the year.

34. The April 10, 2013 release also stated that the Company had more than \$1 billion in assets, including \$888 million of Property and Equipment, Net and more than \$9 million of Goodwill and \$68 million of Other Assets.

35. Following the issuance of the Company's 2013 third quarter financial results and fiscal 2013 guidance press release on April 10, 2013, Defendants Buettgen, Moore and Grant made additional positive statements about the Company's financial condition and its outlook on a conference call with analysts and investors. Attributing sales declines in the Ruby Tuesday chain of restaurants to the changes to the brand's theme and menu that Beall made that did not resonate with consumers, and emphasizing how his own changes to the theme and menu then underway were resonating with customers and correcting those trends, Buettgen stated, in pertinent part, as follows:

During the quarter, we made good progress on a number of key initiatives, which we believe, over the long term, will get the Company back to the positive sales and earnings performance we realized several years ago. Our biggest priority right now is to build same-restaurant sales. As we work on refining our brand positioning, continue to improve our menu offerings, and communicating more effectively through all of our marketing channels, including our television advertising and other promotional vehicles, we are confident that stronger sales and earnings results will follow.

Based on feedback from our customers, as well as our own research, we believe the Ruby Tuesday brand needs to be more lively, approachable, and fun. ***Over the last***

few years, as changes were made to position the brand away from the bar and grill segment, and more towards the higher-end, polished casual segment of the category, the brand may have moved a bit too far from its heritage and core guest space. I believe repositioning out of the bar and grill competitive set several years ago was the correct decision. And in the progress -- process, we made several meaningful improvements to our offering, including higher quality, fresher, more flavorful foods.

I also believe guests value these quality and freshness improvements, and they seek those out at restaurants -- and they seek out restaurants, excuse me, that effectively deliver those benefits. *However, in our pursuit of a more upscale brand positioning, we may have unintentionally overshot the runway. Said differently, we believe the biggest strategic opportunity for us is to migrate the Ruby Tuesday brand towards a more casual and approachable positioning and experience that is appealing to a broader guest demographic, and suitable for a wider range of dining occasions, whether it be a fun night out for dinner and drinks with friends, connecting with family, date night, or celebrating a special occasion.*

During the quarter, we made good progress in beginning to position our brand as an approachable, every-day dining option, with our key areas of focus being food and beverage offerings, menu and merchandising material design, and our television advertising.

36. During her introductory comments, Defendant Grant explained that the Company was then getting positive feedback as to the progress Defendants were making in refocusing the flagship Ruby Tuesday restaurants, stating, in pertinent part, as follows:

On another positive note, our external brand tracker guest satisfaction scores, which compare our absolute and top box guest experience scores against key competitors in both the Bar and Grill, and Specialty segments, *show improvement over the prior year.* We saw experienced scores improvements in a number of key areas, including overall satisfaction, up 3 points; likely to revisit in the next 30 days, up 2 points; and likely to recommend, up 2 points. While these scores are slightly off our record highs, *they continue to be the best in the Bar and Grill category, and at parity in many categories within the Specialty Restaurant segment.*

37. Later in the call, responding to an analyst's question, Defendant Moore affirmatively stated that the turnaround efforts were resonating, stating that despite same-store sales being "down 2.8% for the quarter, we had improved guest counts" with traffic improving sequentially each of the three months, such that "*February was better than January, and January was better than December. So sequentially, it got better as we got to the end of the quarter.*" And responding to another analyst's question whether the Company was "continuing the outperformance here in the

first month of the new quarter?,” Defendant Buettgen responded in the affirmative, stating though “[i]t’s been our policy not to comment on current quarter trends . . . *our guidance would imply essentially flat for the fourth quarter.*”

38. Turning to Lime Fresh during his introductory comments, Defendant Buettgen stated, in pertinent part, as follows:

Switching gears to Lime Fresh, *we continue to make steady progress with this fast casual concept and remain excited about the potential of the brand.* That said, this concept is still in its infancy and we have much work ahead of us to get the sales and profitability in line with our expectations. We will be implementing some operational changes designed to improve the concept’s returns and position the brand for future growth, which Kimberly will discuss later in the call. *Our growth in the coming year will be focused in the eastern U.S., primarily in the Florida market where the concept originated and where it has higher awareness.*

39. During her introductory comments, Defendant Grant added, in pertinent part, as follows:

I would like to update you on some of the recent initiatives to strengthen our Lime Fresh fast casual brand. As we expand the brand into new markets outside of its home in Miami, we have received guest feedback in certain key areas including the need to simplify the ordering process and to enhance the flavor profiles of some of the items on our menu which are actively addressing. *We have introduced the use of menu boards at a few of our recent openings which has greatly simplified the ordering process and resulted in positive guest feedback to date.*

We have also been working with a group of external chefs who specialize in Mexican flavor profiles to enhance the flavors of some of our recipes and we will begin testing these changes in our restaurants in the next couple of weeks. *We believe all of these changes will make the Lime Fresh concept more competitive as we enter into new markets. As [Defendant Buettgen] mentioned earlier, we continue to nurture this brand and are encouraged by the potential it offers to create future value.*

40. Later during the call, responding to an analyst’s question as to “the two [Lime Fresh restaurants] that you’re closing, *what were the issues there and the kind of lessons learned for better locations next time?*,” Defendant Buettgen emphatically responded that there was no problem with the Lime Fresh brand itself, emphasizing instead that:

The two that we closed were specific site issues. In general, what we found in both places where we didn’t have enough food traffic, which we believe was driven partially by kind of visibility and access to do site, as well as cotenancy. What he

found over time is that Lime tends to be better in centers that have good street visibility, as well as centers that have co-tenants that tend to drive a fair amount of frequent visitation. And in both of these locations, one had a pretty significant traffic and challenge issue due to access and the other one was in between two very busy thoroughfares which couldn't see our site from either one of them. Opened up weak, and never got a chance to get moving.

41. In the Company's quarterly financial report filed with the SEC on Form 10-Q on April 12, 2013, in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Overview and Strategies," Ruby Tuesday further emphasized the strong business metrics purportedly still being experienced in the Lime Fresh chain, which Ruby Tuesday emphasized it had now had a year to study and still very much considered a strong growth opportunity. Specifically, the Form 10-Q stated there were "*significant opportunities to grow [the Company's] business, strengthen [its] competitive position, enhance [its] profitability, and create value through the execution of the following strategies,*" including, in pertinent part, as follows:

Focus on Low-Capital Intensive Potential Growth in the Fast Casual Sector

We have been focused on growing our Company in a low-capital intensive manner in the fast casual sector through Lime Fresh, our Mexican fast casual concept. We initially opened Lime Fresh restaurants under a licensing agreement and after over a year of experience which enabled us to better understand the concept's positioning and potential in the high-quality fast casual segment, we acquired the business for \$24.1 million in the fourth quarter of fiscal 2012 since we believed we could more quickly and effectively grow the concept if we owned it. The fast casual segment of our industry is a proven and growing segment where demand exceeds supply, and we believe opening smaller, inline locations under the Lime Fresh brand provides a low-capital intensive potential growth option for us. While the concept is still in its infancy, we believe it has the potential to generate attractive returns for us if we are able to realize our targeted revenue levels. We opened five Company-owned Lime Fresh restaurants during the first three quarters of fiscal 2013 and plan to open approximately four to five additional Company-owned Lime Fresh restaurants during the remainder of the current fiscal year.

42. The third quarter 2013 Form 10-Q also emphasized the value of the Company's real estate portfolio, stating, in pertinent part: "***Our strong balance sheet is supported by a high-quality portfolio of owned real estate. . . .***" and emphasized that following the store closures and sales

announced in January 2013, the Company was regularly assessing its assets for further impairment, stating, in pertinent part, as follows:

The following table presents the losses recognized during the 13 and 39 weeks ended March 5, 2013 and February 28, 2012 resulting from fair value measurements of assets and liabilities measured on a non-recurring basis. The losses associated with continuing operations are included in Closures and impairments, net and the losses associated with discontinued operations are included in Loss from discontinued operations in our Condensed Consolidated Statements of Operations and Comprehensive Income/(Loss) (in thousands):

	Thirteen weeks ended		Thirty-nine weeks ended	
	March 5, 2013	February 28, 2012	March 5, 2013	February 28, 2012
Included within continuing operations				
Long-lived assets held for sale	\$ 434	\$ 141	\$ 945	\$ 347
Long-lived assets held for use	–	10,720	2,149	11,350
Other closed restaurants	109	–	109	–
	\$ 543	\$ 10,861	\$ 3,203	\$ 11,697
Included within discontinued operations	\$ 1,669	\$ 673	\$ 17,971	\$ 673

* * *

We review our long-lived assets (primarily property, equipment, and, as appropriate, reacquired franchise rights and favorable leases) related to each restaurant to be held and used in the business, whenever events or changes in circumstances indicate that the carrying amount of the long-lived asset may not be recoverable.

Long-lived assets held for use presented in the table above include restaurants or groups of restaurants that were impaired as a result of our quarterly impairment review or restaurants that were impaired as a result of the Ruby Tuesday, Inc. Board of Directors approving on January 9, 2013 management's plan to close 13 Marlin & Ray's restaurants, two Lime Fresh restaurants, and one Wok Hay restaurant during the third quarter of fiscal 2013. From time to time, the table will also include closed restaurants or surplus sites not meeting held for sale criteria that have been offered for sale at a price less than their carrying value.

* * *

At March 5, 2013, we had 31 restaurants that had been open more than one year with rolling 12-month negative cash flows, of which 17 have been impaired to salvage value. Of the 14 which remained, *we reviewed the plans to improve cash flows at each of the restaurants and determined that no impairment was necessary.* The remaining net book value of these 14 restaurants was \$12.5 million at March 5, 2013.

43. The third quarter 2013 Form 10-Q also emphasized that in accounting for in goodwill, the Company did not have to first “calculate the fair value of a reporting unit *unless it believe[d] it [was] very likely that the reporting unit’s fair value [was] less than the carrying value[.]*” implicitly stating that, based on the facts then available to Defendants, the \$9 million in goodwill then being held on the books related to the Lime Fresh acquisition was not impaired.

44. Further detailing the Company’s “Known Events, Uncertainties and Trends,” after chronicling the status of the restaurant closures and sales announced in January 2013, the third quarter 2013 Form 10-Q emphatically stated that, “[f]or the remainder of fiscal 2013,” the Company only “anticipat[ed] incurring charges of approximately \$1.0 million to \$2.0 million associated with lease termination and other closing costs.”

45. Finally, the third quarter 2013 Form 10-Q listed \$35.9 million of “deferred income taxes” as an asset. Deferred income tax assets can only be reported if there is more than a 50% probability that a company will have positive accounting income in the next fiscal period.

46. Following Defendants’ positive statements, the price of Ruby Tuesday stock climbed from its close of \$7.75 per share on the evening of April 9, 2013 to close at \$8.16 on April 10, 2013 and \$9.01 on the evening of April 12, 2013 – an increase of 16%.

47. On May 6, 2013, Ruby Tuesday announced that it had hired Jeffrey C. Wood, a former real estate executive with Dave & Busters, Inc. and TGI Fridays, as its Senior Vice President and Chief Development Officer. The Company also announced the appointments of a new Senior Vice President of Finance, Jill Golder, and Mark Bibby as Vice President of Culinary & Beverage, Executive Chef. The Company’s press release announcing the appointments quoted Defendant Buettgen, stating: “[T]heir skills, in tandem with our existing leadership team, will help facilitate our plans to reposition Ruby Tuesday to a more lively and approachable brand position[.]”

48. On June 11, 2013, Ruby Tuesday announced that Defendant Grant had resigned on June 7 and was being replaced by former Darden Restaurants executive Todd Burrowes, who would serve as President, Ruby Tuesday Concept, and Chief Operations Officer. In the Company's press release, Defendant Buettgen stated: "Todd will be instrumental in leading our efforts to reposition the Ruby Tuesday brand, creating a more lively and approachable guest experience[.]"

49. The price of Ruby Tuesday stock continued climbing on the perceived success of the turnaround efforts and, by July 18, 2013, the Company's stock price had reached a Class Period high of \$9.88 per share in intraday trading.

50. The statements referenced above in ¶¶32-45 were each materially false and misleading when made because they misrepresented and failed to disclose the following adverse facts, which were known to Defendants or recklessly disregarded by them:

(a) that changes made to the menu at the Company's flagship Ruby Tuesday chain to increase the range of offerings and price points were negatively impacting sales as the average sales check price was declining without contemporaneous increases in traffic;

(b) that contrary to the reported progress being made in the turnaround effort, same-store sales were continuing to decline exponentially at the Company's flagship Ruby Tuesday chain;

(c) that the Company had experienced a dramatic decline in sales at its Lime Fresh concept restaurants and as a result, the carrying value of the Lime Fresh goodwill, trademark and properties and equipment being carried on Ruby Tuesday's books were materially impaired and should have been written down;

(d) that as a result of not making timely impairments on its Lime Fresh assets, the Company's expenses and losses were being materially understated;

(e) that the value of the Company's deferred tax assets were over-stated by \$20.1 million; and

(f) based on the foregoing, Defendants lacked a reasonable basis for their positive statements about the Company's business during the Class Period.

51. On July 24, 2013, after the close of trading, Ruby Tuesday issued a press release announcing its fourth quarter and fiscal 2013 financial results (for the quarter ended June 4, 2013). During the fourth quarter 2013, "*[s]ame-restaurant sales decreased 3.1% at Company-owned Ruby Tuesday restaurants and decreased 5.1% at domestic Ruby Tuesday franchise restaurants.*" The Company's fourth quarter 2013 net loss from continuing operations skyrocketed to \$27 million from \$6.7 million in the fourth quarter of 2012. The net operating loss included a charge of "\$9.0 million related to the *full impairment of the Lime Fresh goodwill*, non-cash pre-tax charges of \$5.0 million related to *the partial impairment of the Lime Fresh trademark*, and \$20.1 million related to a valuation allowance on the Company's deferred tax assets, including tax credits and net operating loss carry forwards, and other items."

52. The Company also stated that its Company-wide revenue for fiscal 2013 had "*decreased 4.6% from the prior year*" and that "[s]ame-restaurant sales decreased 2.1% at domestic franchise Ruby Tuesday restaurants."

53. Specifically addressing Lime Fresh, the July 24, 2013 release stated that during the quarter the Company had "[r]evised [the] strategic approach to the growth and execution of [its] Lime Fresh concept, leading to the closure of four of [its] initial internally-developed Lime Fresh restaurants, two of which closed during the fourth quarter, which weren't meeting expectations and were dilutive to the concept's performance." In addition to disclosing this calamity in the Lime Fresh chain for the first time, and despite having stated in the Company's third quarter 2013 Form 10-Q that the Company was regularly testing its assets for impairment, Defendants disclosed for the

first time that the Lime Fresh assets acquired for \$24.1 million in the fourth quarter of 2012, including goodwill, trademark and properties, were suddenly and without warning impaired by \$17.6 million:

Goodwill & Related Asset Impairments

As we acquired Lime Fresh during the fourth quarter of fiscal 2012, in accordance with generally accepted accounting principles, we tested Lime Fresh goodwill for impairment during the fourth quarter of fiscal 2013. ***Our testing resulted in a non-cash pre-tax impairment charge of \$9.0 million, which fully impaired the Lime Fresh goodwill. We also performed impairment testing for Lime Fresh property and equipment and other intangible assets in accordance with generally accepted accounting principles, which resulted in non-cash pre-tax impairment charges of \$5.0 million related to the Lime Fresh trademark and \$3.6 million related to the property and equipment of four underperforming Lime Fresh restaurants which were opened between May and November 2012.***

54. As to Fiscal Year 2014 Outlook, the release stated that because the Company would continue “implementing a number of strategic initiatives to reposition [its] brand including improving [its] menu offerings and marketing[,]” “[a]s a result of these initiatives, combined with the current challenging casual dining environment, ***[Ruby Tuesday had] decided not to provide earnings guidance for fiscal 2014.***” The press release also stated that Defendants “anticipate[d] same-restaurant sales to be down ***high single digits*** in the first quarter” of 2014.

55. The Company also disclosed a \$20.1 million charge “related to a valuation allowance on the Company’s deferred tax assets, including tax credits and net operating loss carry forwards,” further disclosing that the write-down was necessitated by ***the last three years’ poor performance:***

Deferred Income Taxes Valuation Allowance

The Company reported tax expense from continuing operations in the fourth quarter of \$12.1 million, which includes a non-cash charge of \$20.1 million related to increases in the valuation allowance on the Company’s deferred tax assets, most significantly the employment tax credits and state net operating losses. ***As a result of goodwill and other impairment charges over the last two years, the Company now has a three-year cumulative pre-tax loss, which is a strong negative factor for consideration when evaluating the realization of deferred tax assets. In accordance with generally accepted accounting principles, even though the Company has expectations for future earnings, the recent three-year cumulative pre-tax losses are given more weight in the assessment of positive and negative***

evidence, which resulted in the establishment of the valuation allowance and incremental income tax expense. The Company could be required to increase the valuation allowance further in fiscal 2014.

56. As described by the *Associated Press* in its report that evening, “Ruby Tuesday Inc. fiscal fourth-quarter loss widened on *weak sales at its restaurants and charges to write down the value of one of its brands.*” According to the *Associated Press*, “[a]nalysts expected *earnings of 19 cents per share* on revenue of \$331 million, according to FactSet,” whereas the Company reported a *loss of \$0.49 per share* on revenues of \$316.1 million.

57. In response to the Company’s disclosures, on July 25, 2013, the price of Ruby Tuesday common stock declined \$1.24 per share on unusually high trading volume, closing down at \$7.84 per share on July 25, 2013. However, based on Defendants’ positive statements in the July 24, 2013 press release, including that “Fiscal 2013 [had been] a transitional year for Ruby Tuesday as [it] made a number of strategic decisions and investments which [would] strengthen [the] Company longer-term,” including “significantly improv[ing] the strength of [its] senior management team by adding a new VP of Culinary and Beverage, a new SVP of Finance, a new SVP/Chief Development Officer, and most recently a new President Ruby Tuesday concept/Chief Operations Officer; and made significant progress on [its] strategy and plans to transform Ruby Tuesday into a more broadly appealing, vibrant, and energetic brand[,]” such that *Defendants were then “confident and excited about [the Company’s] future and the changes [they were] making to the Ruby Tuesday brand” and that they were “confident that over time [Ruby Tuesday would] realize improvements in [its] guest counts, same-restaurant sales, and profitability.”*

58. However, the price of Ruby Tuesday stock plummeted further on October 10, 2013, when, after the close of trading on October 9, 2013, the Company reported a net loss of \$22.2 million on \$289.7 million in revenues during its first quarter 2014, *an increase of 7.7% on losses and a decrease of 11.7% on revenues*, driven by *same-store sales declines of 11.4 %* at Company-

owned restaurants and an 8.4 % decline at domestic franchised restaurants, and predicted same-store sales declines in the high-single digits in the second quarter 2014.

59. In response to the Company's disclosures on October 9, 2013, the price of Ruby Tuesday common stock declined \$1.29 per share on unusually high trading volume, closing down at \$6.26 per share on October 10, 2013.

60. As stock blog *Seeking Alpha.com* lamented in an October 17, 2013 report entitled "What's Really Going On with Ruby Tuesday?," the Class Period demise in Ruby Tuesday's financial performance had everything to do with Defendant Buettgen's failed turnaround effort and conscious tampering with the business model, as the dramatic decline was Company-specific:

Can't blame the economy

What changed so drastically so fast? The menu, service, ambiance, and prices haven't changed that much, at least not enough to warrant such a quick decline. Was it really simply the economy? That's a hard pill to swallow considering that others in the casual dining space haven't experienced anywhere near the same trouble.

For example, Buffalo Wild Wings . . . reported that same-store company-owned sales increased 3.8% for its second quarter, with a 1.5% increase for its third quarter so far. Nowhere in its earnings release or its conference call did Buffalo Wild Wings even mention the economy as any sort of headwind.

Likewise, The Cheesecake Factory . . . reported that same-store sales were up. Though it was more modest at a 0.8% increase, it was the fourteenth consecutive quarter of positive same-store sales growth. Additionally, The Cheesecake Factory expects its fiscal third quarter results to show quarter number 15 of same-store sales growth. Given these examples from competitors, it's hard to accept that the economy alone stopped Ruby Tuesday from being successful.

That leaves marketing as the only suspect left. In Ruby Tuesday's most recent conference call, CEO James Buettgen stated, "Over the past 10 months, we've taken numerous actions that we believe should lead to the stabilization and growth of the company over the longer term. We put in place a highly skilled and experienced senior management team that is working together to lead an integrated effort, our operations, culinary, finance and marketing teams to execute our strategic plan to reposition the Ruby Tuesday brand, and to deliver a more casual, approachable and energetic dining experience."

Stop right there. Ten months ago on the nose was the last quarter that Ruby Tuesday reported positive same-store sales growth, and that was just before the marketing and brand changes. Coincidence? With its next quarter results in April,

its CEO stated, "I am pleased with the progress we have made in evolving the Ruby Tuesday brand over the past quarter." *That evolution happened at the same time same-store sales began to implode.* Then in July he stated, "Our strategy and plans to transform Ruby Tuesday into a more broadly appealing, vibrant, and energetic brand."

Can't he see that this strategy is backfiring? It's the only company-wide change that began at the same during the sales implosion. Now he's saying, "Our strategic plan to reposition the Ruby Tuesday brand, and to deliver a more casual, approachable and energetic dining experience." *Maybe it's too casual, and it's alienated its niche customer that used to enjoy Ruby Tuesday for the quiet, slightly formal place it was. Clearly something about the new strategy isn't paying off.*

61. On October 28, 2013, Ruby Tuesday announced that its Chairman Matthew Drapkin had resigned, effective immediately. Drapkin was an activist shareholder who had become involved in Ruby Tuesday in 2011 and a partner at Backer Drapkin Management, which in October 2013 liquidated its Ruby Tuesday holdings. Drapkin's resignation led Bryan C. Elliott, an analyst with Raymond James & Associates, to reiterate an "under-perform" rating on the Company's stock, stating in a client note: "Mr. Drapkin's resignation from the board and his firm's liquidation of its [Ruby Tuesday] holdings highlights the risks we continue to see." Later in October, it was reported that Senior Vice President and Chief People Officer Robert LeBoeuf too had resigned.

62. Then in early November 2013, Moody's Investors Service of New York downgraded its rating for Ruby Tuesday and added that the chain was doing worse than the agency had expected. Moody's lowered Ruby Tuesday's corporate family rating one notch, to "B3" from "B2," citing weak traffic trends, lowered consumer spending, and competition from promotions and discounts among other casual-dining chains. In explaining its rationale, Moody's stated: "The downgrade is driven by operating performance that has been substantially weaker than Moody's prior expectations and deteriorating debt protection metrics." The agency added that it also factored in weak same-store sales performance over the last few quarters and the expectation of continued pressures on same-store sales and traffic.

63. On November 20, 2013, the Company announced that it was cutting 50 corporate jobs at its headquarters and had hired a consultant to reduce other costs. Ultimately, Ruby Tuesday cut 70 corporate jobs.

64. By December 9, 2013, it was disclosed that the Company had hired investment banking firm Goldman Sachs to help it explore strategic alternatives. An undisclosed source told *Nation's Restaurant News* that Ruby Tuesday was likely seeking a leveraged buy-out.

65. On January 8, 2014, Ruby Tuesday reported that same-store sales at Company-owned restaurants declined 7.8% and that franchised domestic units fell 5.3% in the second quarter 2014 (ended December 3, 2013), that its net loss widened in the quarter to a \$34.7 million loss compared with a \$4.2 million loss in second quarter 2013, and that its revenue in the quarter fell 7.9%, to \$276.2 million from \$300.1 million in the second quarter 2013. The Company also disclosed it was shuttering 30 Ruby Tuesday restaurants.

66. On a conference call held later that day, Defendant Buettgen finally admitted first, that *“in hindsight, [he was] not sure [he] ha[d] been as clear as [he] could have been with [Ruby Tuesday’s] investors about what [Defendants] were planning to do versus what [they] had actually done,”* i.e. *“what had actually hit the restaurants.”*

67. The market for Ruby Tuesday common stock was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, Ruby Tuesday common stock traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Ruby Tuesday common stock relying upon the integrity of the market price of Ruby Tuesday common stock and market information relating to Ruby Tuesday, and have been damaged thereby.

68. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Ruby Tuesday common stock, by publicly issuing false and misleading

statements and omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

69. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused, or were a substantial contributing cause of, the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false or misleading statements about Ruby Tuesday's business, prospects and operations. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Ruby Tuesday and its business, prospects and operations, thus causing the Company's common stock to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's common stock at artificially inflated prices, thus causing the damages complained of herein.

ADDITIONAL SCIENTER ALLEGATIONS

70. As alleged herein, Defendants acted with scienter in that Defendants knew, or recklessly disregarded, that the public documents and statements they issued and disseminated to the investing public in the name of the Company or in their own name during the Class Period were materially false and misleading. Defendants knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements and documents as primary violations of the federal securities laws. Defendants, by virtue of their receipt of information reflecting the true facts regarding Ruby Tuesday, their control over, and/or receipt and/or modification of Ruby Tuesday's

allegedly materially misleading misstatements, were active and culpable participants in the fraudulent scheme alleged herein.

71. Defendants knew and/or recklessly disregarded the false and misleading nature of the information which they caused to be disseminated to the investing public. The fraudulent scheme described herein could not have been perpetrated during the Class Period without the knowledge and complicity or, at least, the reckless disregard of personnel at the highest levels of the Company, including the Individual Defendants.

72. The Individual Defendants, because of their positions with Ruby Tuesday, controlled the contents of the Company's public statements during the Class Period. Each Defendant was provided with or had access to copies of the documents alleged herein to be false and/or misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information, these Defendants knew or recklessly disregarded that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations that were being made were false and misleading. As a result, each of these Defendants is responsible for the accuracy of Ruby Tuesday's corporate statements and is therefore responsible and liable for the representations contained therein.

LOSS CAUSATION/ECONOMIC LOSS

73. During the Class Period, as detailed herein, Defendants engaged in a scheme to deceive the market and a course of conduct that artificially inflated the price of Ruby Tuesday common stock and operated as a fraud or deceit on Class Period purchasers of Ruby Tuesday common stock by failing to disclose and misrepresenting the adverse facts detailed herein. When Defendants' prior misrepresentations and fraudulent conduct were disclosed and became apparent to

the market, the price of Ruby Tuesday common stock fell precipitously as the prior artificial inflation came out.

74. As a result of their purchases of Ruby Tuesday common stock during the Class Period, Plaintiff and the other Class members suffered economic loss, *i.e.*, damages, under the federal securities laws. Defendants' false and misleading statements had the intended effect and caused Ruby Tuesday common stock to trade at artificially inflated levels throughout the Class Period, trading at \$9.88 per share in intraday trading on July 18, 2013.

75. By failing to disclose to investors the adverse facts detailed herein, Defendants presented a misleading picture of Ruby Tuesday's business and prospects. When the truth about the Company was revealed to the market, the price of Ruby Tuesday common stock fell precipitously. These declines removed the inflation from the price of Ruby Tuesday common stock, causing real economic loss to investors who had purchased Ruby Tuesday common stock during the Class Period.

76. The declines in the price of Ruby Tuesday common stock after the corrective disclosures came to light were a direct result of the nature and extent of Defendants' fraudulent misrepresentations being revealed to investors and the market. The timing and magnitude of the price declines in Ruby Tuesday common stock negate any inference that the loss suffered by Plaintiff and the other Class members was caused by changed market conditions, macroeconomic or industry factors or Company-specific facts unrelated to Defendants' fraudulent conduct. The economic loss, *i.e.*, damages, suffered by Plaintiff and the other Class members was a direct result of Defendants' fraudulent scheme to artificially inflate the price of Ruby Tuesday common stock and the subsequent significant decline in the value of Ruby Tuesday common stock when Defendants' prior misrepresentations and other fraudulent conduct were revealed.

**APPLICABILITY OF PRESUMPTION OF RELIANCE:
FRAUD ON THE MARKET DOCTRINE**

77. At all relevant times, the market for Ruby Tuesday common stock was an efficient market for the following reasons, among others:

- (a) Ruby Tuesday common stock met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient, electronic stock market;
- (b) as a regulated issuer, Ruby Tuesday filed periodic public reports with the SEC and the NYSE;
- (c) Ruby Tuesday regularly communicated with public investors via established market communication mechanisms, including regular disseminations of press releases on the national circuits of major newswire services and other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and
- (d) Ruby Tuesday was followed by securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

78. As a result of the foregoing, the market for Ruby Tuesday common stock promptly digested current information regarding Ruby Tuesday from all publicly available sources and reflected such information in the prices of the stock. Under these circumstances, all purchasers of Ruby Tuesday common stock during the Class Period suffered similar injury through their purchase of Ruby Tuesday common stock at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

79. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. Many of the specific statements pleaded herein were not identified as “forward-looking statements”

when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of Ruby Tuesday who knew that those statements were false when made.

COUNT I

Violation of §10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against Defendants Ruby Tuesday, Buettgen, Moore and Grant

80. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

81. During the Class Period, Defendants Ruby Tuesday, Buettgen, Moore and Grant disseminated or approved the materially false and misleading statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

82. Defendants named in this count: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements made not misleading; and (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's common stock during the Class Period.

83. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Ruby Tuesday common stock. Plaintiff and the

Class would not have purchased Ruby Tuesday common stock at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' misleading statements.

84. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their purchases of Ruby Tuesday common stock during the Class Period.

COUNT II

Violation of §20(a) of the Exchange Act Against Defendants Buettgen, Moore and Grant

85. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

86. The Individual Defendants acted as controlling persons of Ruby Tuesday within the meaning of §20(a) of the Exchange Act as alleged herein. By reason of their positions as officers and/or directors of Ruby Tuesday, and their ownership of Ruby Tuesday common stock, the Individual Defendants had the power and authority to cause Ruby Tuesday to engage in the wrongful conduct complained of herein. By reason of such conduct, the Individual Defendants are liable pursuant to §20(a) of the Exchange Act.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

A. Determining that this action is a proper class action, designating Plaintiff as Lead Plaintiff and certifying Plaintiff as a Class representative under Rule 23 of the Federal Rules of Civil Procedure and Plaintiff's counsel as Lead Counsel;

B. Awarding compensatory damages in favor of Plaintiff and the other Class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

C. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

D. Awarding such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

DATED: May 6, 2014