

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO
JUDGE EDWARD W. NOTTINGHAM**

ANDRE ANDROPOLIS, on behalf of himself and all others similarly situated,	X	
	:	Civil Action No. 05-cv-01563-EWN-BNB
	:	
	:	
v.	:	
	:	
RED ROBIN GOURMET BURGERS, INC., MICHAEL J. SNYDER, JAMES P. McCLOSKEY, LISA A. DAHL, KATHERINE L. SCHERPING, and DENNIS B. MULLEN,	:	(Consolidated with <i>Baird v. Red Robin Gourmet Burgers, Inc.</i> , 05-cv-01903)
	:	
	:	
<i>Defendants.</i>	:	
	:	
	X	

NOTICE OF PENDENCY AND SETTLEMENT OF CLASS ACTION

**If you bought Red Robin common stock between August 13, 2004
and January 9, 2006 (inclusive), you could get a payment
from a class action settlement.**

A federal court authorized this notice. This is not a solicitation from a lawyer.

- The settlement will provide \$1.5 million in cash, plus interest, to pay claims from investors who suffered damages from buying the common stock of Red Robin Gourmet Burgers, Inc. between August 13, 2004 and January 9, 2006 (inclusive). The settlement represents an average recovery of 0.115¢ per share (based on the estimated number of damaged shares under the plan of allocation). This average is an estimate and is before deduction of any Court approved fees and expenses. *See* Question 8 below for a more detailed explanation.
- Attorneys for the Lead Plaintiff have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis and have advanced the expenses of the litigation, in the expectation that if they were successful in obtaining a recovery for the Class they would be paid from such recovery. Plaintiffs' Counsel intend to ask the Court to award them fees up to 25% of the settlement and reimbursement of litigation expenses not to exceed \$125,000. Collectively, the fees and expenses are estimated to average 0.038¢ per share. If approved by the Court, these amounts will be paid from the Settlement Fund. Therefore, the approximate recovery, after deduction of attorneys' fees and expenses approved by the Court, is an average of 0.077¢ per share. This is an estimate. Your actual recovery, if any, may vary depending on the dates and prices of your purchases or sales of Red Robin stock and the number of Proof of Claim forms that are filed. *See* Question 8 below for a more detailed explanation.
- The settlement resolves a lawsuit concerning whether Red Robin and certain officers and directors misled investors about the adequacy of the Company's internal controls and the former Chairman/CEO's compensation. Defendants deny the allegations in the lawsuit. The parties disagree on the liability and damage issues. *See* Question 4 below for a more detailed explanation.
- Your legal rights are affected whether you act, or don't act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM	The only way to get a payment.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Defendants about the legal claims in this case.
OBJECT BUT REMAIN IN THE SETTLEMENT	Write to the Court about why you don't like the settlement.
GO TO A HEARING	The September 28, 2007 Hearing is open to the public. To speak in Court in support of any objection you may have filed, you will need to give advance written notice to the Court and the parties.
DO NOTHING	Get no payment. Give up rights.

- These rights and options — **and the deadlines to exercise them** — are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after appeals are resolved and claims are processed. Please be patient.
- Further information regarding this Settlement may be obtained by contacting Plaintiffs’ Lead Counsel: Sherrie R. Savett, Berger & Montague, P.C., 1622 Locust Street, Philadelphia, PA 19103, Telephone: 215-875-3000.

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BASIC INFORMATION

1. Why did I get this Notice package?

You or someone in your family may have purchased shares of Red Robin Gourmet Burgers, Inc. common stock (“Red Robin stock”) between August 13, 2004 and January 9, 2006 (inclusive). The Court in charge of the case is the United States District Court for the District of Colorado and the case is known as *Andre Andropolis v. Red Robin Gourmet Burgers, Inc., et al.*, Civil Action No. 05-cv-01563-EWN-BNB. U.S. District Judge Edward W. Nottingham is in charge of this class action. The people who sued are called Plaintiffs, and the company and individuals they sued, Red Robin Gourmet Burgers, Inc., Michael J. Snyder, James P. McCloskey, Lisa A. Dahl, Katherine L. Scherping, and Dennis B. Mullen, are called Defendants.

The Court sent you this notice because you have a right to know about a proposed settlement of this class action lawsuit and about all of your options, before the Court decides whether to approve the settlement. If the Court approves the settlement and resolves any objections to the settlement submitted by Class Members, as explained below, or appeals, then an administrator appointed by the Court will process the claims received and distribute the payments to Class Members with valid claims. You can track the progress of the settlement by visiting: www.hrsclaimsadministration.com.

This package explains the lawsuit, the settlement, your legal rights, the benefits that are available, who is eligible for them, and how to obtain them.

2. What is this lawsuit about?

The lawsuit alleges two sets of misrepresentations: (i) that Red Robin, CEO/Chairman (Michael Snyder), CFO (James McCloskey), Controller (Lisa Dahl) and Director (Dennis Mullen) made false statements concerning the adequacy of Red Robin’s internal controls relating to use of chartered aircraft and travel and entertainment expenses and concealed that the CEO/Chairman received \$1.25 million in perquisites that should have been disclosed as compensation; and (ii) that Red Robin, replacement CEO (Dennis Mullen) and replacement CFO (Katherine Scherping) provided investors false financial guidance for the third and fourth quarters of 2005 and made false statements concerning the adequacy of Red Robin’s internal controls over financial reporting. The lawsuit claims that as a result of these false and misleading statements, the value of Red Robin stock was artificially inflated, and that investors who purchased Red Robin stock at these inflated prices were damaged. Defendants deny they did anything wrong.

3. Why is this a class action?

In a class action, one or more persons or entities called Class Representatives sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to as a Class, or individually, as Class Members. One court resolves all of the issues for all Class Members, except for those Class Members who exclude themselves from the Class.

4. Why is there a settlement?

The Court dismissed the class action with prejudice and Plaintiffs filed a notice of appeal. Instead of litigating the appeal, Plaintiffs and Defendants have agreed to settle the lawsuit. Plaintiffs have agreed to settle the lawsuit based on the facts they have discovered during the litigation, the risks that will be involved in the appeal or in a trial, and their conclusion that the proposed settlement is fair, reasonable and adequate, and serves the best interests of the Class Members. Counsel for Plaintiffs have determined that by settling, they avoid the cost and risks of the appeal or a trial, while at the same time providing substantial compensation to the Class. The Class Representative and the Counsel for the Class believe that the settlement is best for all Class Members.

Plaintiffs and Defendants do not agree regarding the merits of Plaintiffs’ allegations. The issues on which the parties disagree include: (1) whether Defendants made any false and misleading statements; (2) whether the statements made were false, material or otherwise actionable under the federal securities laws; (3) whether Defendants made the statements with the requisite intent; (4) the appropriate economic model for determining the amount by which Red Robin stock was allegedly artificially inflated (if at all) during the Class Period; (5) the extent to which the various matters that Plaintiffs alleged were materially false or misleading (if at all) influenced and artificially inflated (if at all) the trading price of Red Robin stock at various times during the Class Period; and (6) the extent to which external factors, such as general market conditions, influenced the trading price of Red Robin stock at various times during the Class Period.

While Plaintiffs’ Counsel were prepared to litigate the appeal and go to trial and were confident in the merits of their case, they recognize that the appeal and a trial are fraught with risk and that Plaintiffs may not have prevailed on all of their claims. In addition, Plaintiffs’ Counsel believe that this Settlement provides a substantial re-

covery to the Class and believe that they may not have obtained a greater recovery even if they had gone to trial. Throughout the settlement negotiations, Defendants continued to deny liability and denied that Plaintiffs were damaged. This dispute regarding damages would be subject to expert testimony, and therefore, it would be impossible to predict with certainty which side's arguments would find favor with the jury. As a result, in a trial, Plaintiffs could have recovered nothing or substantially less than the amount of the Settlement. Further, even assuming that Plaintiffs could have won at trial, any verdict would inevitably be the subject of appeal, and the Class' recovery would have remained uncertain and been further delayed.

WHO IS IN THE SETTLEMENT

To see if you will get money from this settlement, you first have to decide if you are a Class Member.

5. How do I know if I am part of the settlement?

Judge Nottingham decided that everyone who fits the following description is a Class Member:

All persons who purchased Red Robin common stock between August 13, 2004 and January 9, 2006, inclusive.

6. Are there exceptions to being included?

You are not a Class Member if you are a Defendant in this lawsuit. The Class also excludes members of the immediate family of each of the Defendants, any entity in which any Defendant has a controlling interest, and the heirs of any such excluded person. Also, if you exclude yourself from the Class, as described below, you are not a part of the Class. If one of your mutual funds owns Red Robin stock, that alone does not make you a Class Member. You are a Class Member only if you purchased Red Robin stock. Contact your broker to see if you own or held Red Robin stock.

To be a Class Member, you must have purchased Red Robin stock during the Class Period.

7. I'm still not sure if I am included.

If you are still not sure whether you are included in the Class, you can ask for free help, by calling 1-800-335-2852 for more information. Alternatively, you can fill out and return the claim form attached to this Notice to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What does the settlement provide?

On April 4, 2007, the parties in the lawsuit arrived at a proposed settlement of the lawsuit and signed a Memorandum of Understanding. The parties' agreement, by itself, is not sufficient for the settlement to be official, the proposed settlement requires the Court's approval. The terms of the proposed settlement are summarized below, and the full settlement terms are contained in a Stipulation of Settlement ("Stipulation") dated May 24, 2007. You can obtain a copy of the Stipulation by writing to Plaintiffs' Counsel: Sherrie R. Savett, Berger & Montague, P.C., 1622 Locust Street, Philadelphia, PA 19103, or by visiting: www.hrsclaimsadministration.com.

a. What is the Settlement Fund?

The proposed settlement calls for Defendants to create a settlement fund in the amount of \$1.5 million in cash. This \$1.5 million has been deposited into an interest bearing account, the "Gross Settlement Fund." It is estimated that approximately 13,048,000 shares of Red Robin stock were damaged during the Class Period. Thus, Class Counsel estimate that the \$1.5 million recovery represents an average recovery of 0.115¢ per share. This average recovery is only an estimate and can vary as explained below.

Subject to the Court's approval, a portion of the Gross Settlement Fund also will be used to pay Plaintiffs' attorneys' fees and reasonable litigation expenses. *See* Question 16 below for a more detailed explanation. A portion of the Gross Settlement Fund will also be used to pay taxes due on interest earned by the Gross Settlement Fund and any notice and claims administration expenses permitted by the Court or the Stipulation. After the foregoing deductions from the Gross Settlement Fund have been made, the amount remaining (the "Net Settlement Fund") will be distributed to Class Members who submit valid claims.

b. What can you expect to receive under the proposed settlement?

Your share of the Net Settlement Fund will depend on: (1) the number of claims filed; (2) when during the Class Period you purchased Red Robin stock; (3) whether you sold your Red Robin stock during the Class Period, or held your Red Robin stock past the end of the Class Period; (4) the amount of administrative costs, including the costs of notice; and (5) the amount awarded by the Court for attorneys' fees, costs and

expenses. By following the Plan of Allocation at the end of this notice, you can calculate your “Recognized Loss.” The Claims Administrator will distribute the Net Settlement Fund, according to the Plan of Allocation, after the deadline for submission of Proof of Claim and Release forms has passed and all claims have been processed. The percentage of the Recognized Loss that is distributed will be determined by dividing the Net Settlement Fund by the total Recognized Losses of all Authorized Claimants. *See* Plan of Allocation below.

HOW YOU GET A PAYMENT — SUBMITTING A CLAIM FORM

9. How can I get a payment?

To qualify for payment, you must send in a Proof of Claim and Release form. This claim form is attached to this Notice. You may also download a claim form from www.hrsclaimsadministration.com. Read the instructions carefully, fill out the form, sign it in the location indicated, include all the documents the form asks for and mail the claim form and documentation, postmarked no later than October 27, 2007 to:

Claims Administrator
Red Robin Securities Litigation
Heffler, Radetich & Saitta L.L.P.
P.O. Box 630
Philadelphia, PA 19105-0630

The Claims Administrator will process your claim and advise you if you are an “Authorized Claimant” — meaning that your claim satisfies the requirements approved by the Court.

10. When would I get my payment?

The Court will hold a hearing on September 28, 2007, to decide whether to approve the Settlement. Even if Judge Nottingham approves the Settlement, there may be appeals that would delay the implementation of the Settlement. It’s always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. After the approval, and the resolution of any appeals, the Claims Administrator must process all of the claim forms. Everyone who sends in a claim form will be informed of the approval or disapproval of their claim. Please be patient. You can also track the progress of the settlement by visiting: www.hrsclaimsadministration.com.

11. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you will remain in the Class. That means that if the settlement is approved, you and all Class Members will release (can’t sue, continue to sue, or be part of any other lawsuit) all “Released Claims” against Defendants and the “Released Parties.” It also means that all of the Court’s orders will apply to you and legally bind you. Please see the definitions of all of the terms that are in quotations below. If you sign the claim form, you are agreeing to a “Release of Claims,” attached to the claim form, which describes exactly the legal claims that you give up if you receive settlement benefits. But even if you do not sign a claim form, unless you exclude yourself, you will release all “Released Claims” against Defendants and the “Released Parties.”

“Released Claims” shall mean any and all claims, demands, rights, liabilities and causes of action, whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or unliquidated, at law or in equity, matured or un-matured, whether class or individual in nature, including both known claims and Unknown Claims, that have been asserted in the Litigation, or that could have been asserted by Lead Plaintiff or any Settlement Class Members or any of them against any of the Released Parties which arise out of or are based upon the allegations, transactions, facts, matters, or occurrences, representations or omissions involved, set forth, or referred to in the Complaint and which relate to the purchase of shares of the common stock of Red Robin during the Class Period.

“Released Parties” means Red Robin, Red Robin’s subsidiaries, Michael J. Snyder, James P. McCloskey, Lisa A. Dahl, Katherine L. Scherping and Dennis B. Mullen and each of their respective past or present directors, officers, employees, partners, members, principals, agents, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, solicitors, advisors, investment advisors, auditors, accountants, associates, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, any entity in which any Defendant has a controlling interest, any members of their immediate families, or any trust of which any Defendant is the settlor or which is for the benefit of any Defendant, and/or member(s) of any Defendant’s family.

“Unknown Claims” means any and all Released Claims which the Lead Plaintiff or Settlement Class Members do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Parties, which, if known by him, her, or it might have affected his, her or its decision(s) with respect to the Stipulation of Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that upon the Effective Date, the Lead Plaintiff and Defendants shall expressly, and each Settlement Class Member shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to receive a payment from this settlement, and you want to keep the right to sue or continue to sue Defendants on your own about the legal issues in this case, then you must take steps to get out of the Settlement. This is called excluding yourself or is sometimes referred to as opting out of the Class.

12. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail stating that you want to be excluded from *Andropolis v. Red Robin Gourmet Burgers, Inc.*, Civil Action No. 05-cv-01563-EWN-BNB. Be sure to include your name, address, telephone number, and your signature, along with your purchases and/or sales in Red Robin stock in order to indicate your membership in the Class. You must mail your exclusion request postmarked no later than August 28, 2007 to:

Claims Administrator
Red Robin Securities Litigation
Heffler, Radetich & Saitta L.L.P.
P.O. Box 630
Philadelphia, PA 19105-0630

You can't exclude yourself over the phone or by e-mail. If you ask to be excluded, you will not receive a settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) Defendants in the future.

13. If I do not exclude myself, can I sue Defendants for the same thing later?

Unless you exclude yourself, you give up any right to sue Defendants or the Released Parties for the claims that this settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is August 28, 2007.

14. If I exclude myself, can I receive money from this settlement?

No. If you exclude yourself, do not send in a claim form to ask for any money. But, you may be able to sue, continue to sue, or be part of a different lawsuit against Defendants.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court approved the law firm of Berger & Montague, P.C. to represent you and the other Class Members. The lawyers of this firm are called Plaintiffs' Counsel or Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

16. How will the lawyers be paid?

Plaintiffs' Counsel have expended considerable time litigating this action on a contingent fee basis, and have advanced the expenses of litigation with the expectation that if they were successful in recovering money for the Class, they would receive fees and be reimbursed for their expenses from the Settlement Fund, as is customary in this type of litigation. Therefore, Plaintiffs' Counsel will file a motion asking the Court at the Fairness Hearing (see Question 19 below) to make an award of attorneys' fees in an amount not to exceed 25% of the Gross Settlement Fund and for reimbursement of litigation expenses in an amount not to exceed \$125,000. The requested fees and expenses are estimated to be an average of 0.038¢ per share. (These averages are estimates based on approximately 13,048,000 shares of Red Robin stock that are estimated to have been purchased at artificially inflated prices during the Class Period.) The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Gross Settlement Fund.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement, any part of the settlement, or the motion for attorneys' fees.

17. How do I tell the Court that I do not like the settlement?

If you are a Class Member, you can object to the settlement if you do not like any part of it. You can state why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter stating that you object to the Settlement in *Andropolis v. Red Robin Gourmet Burgers, Inc.*, Civil Action No. 05-cv-01563-EWN-BNB. Be sure to include your name, address, telephone number, your signature, your purchases and/or sales of Red Robin stock in order to indicate your membership in the Class and all of the reasons for your objection to the settlement. Be sure to mail the objection to the three different places stated below, postmarked no later than August 28, 2007.

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of Court United States District Court District of Colorado Room A-105 901 19th Street Denver, CO 80294-3589	Sherrie R. Savett, Esq. Berger & Montague, P.C. 1622 Locust Street Philadelphia, PA 19103	Andrew R. Shoemaker, Esq. Hogan & Hartson, LLP 1470 Walnut Street Suite 200 Boulder, CO 80302

18. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak.

19. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing at 2:00 p.m. on September 28, 2007, at the United States District Court for the District of Colorado, 901 19th Street, Courtroom A-201, Denver, Colorado 80294-3589. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Nottingham will listen to people (or their counsel) who have submitted a written objection and written indication of their intent to appear and speak at the hearing, post-marked no later than August 28, 2007, and mailed to the three different places listed in the chart following Question 17 above. The Court may also decide how much to pay Plaintiffs' Counsel for attorneys' fees and expenses. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

20. Do I have to come to the hearing?

No. Class Counsel will answer any questions Judge Nottingham may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also attend or pay your own lawyer to attend to speak in support of any objection you may have filed, but it is not necessary. You may do so as long as you have followed the instructions set forth in the answer to Question 21.

21. May I speak at the hearing?

If you have submitted a written objection to the settlement or to the motion of Plaintiffs' Counsel for attorneys' fees and expenses and you follow the instructions set out in response to Questions 17 and 19 above, you (or your counsel) may speak at the Fairness Hearing in support of your objection. To do so, along with your written objection, you must send a letter saying that it is your "Notice of Intention to Appear in *Andropolis v. Red Robin Gourmet Burgers, Inc.*, Civil Action No. 05-cv-01563-EWN-BNB." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be postmarked no later than August 28, 2007, and be sent to the Clerk of the Court, Class Counsel, and Defense Counsel, at the addresses listed in Question 17. You cannot speak at the hearing if you exclude yourself.

IF YOU DO NOTHING

22. What happens if I do nothing at all?

If you do nothing, you will not receive any money from this settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or the Released Parties about the legal issues in this case, ever again.

GETTING MORE INFORMATION

23. How do I obtain more information about the Settlement?

You can: (1) call the Claims Administrator toll free at 1-800-335-2852; (2) visit the Claims Administrator's website at www.hrsclaimsadministration.com, where you will find answers to common questions about the settlement, a claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment; or (3) write to:

Claims Administrator
Red Robin Securities Litigation
Heffler, Radetich & Saitta L.L.P.
P.O. Box 630
Philadelphia, PA 19105-0630

UNDERSTANDING YOUR PAYMENT — THE PLAN OF ALLOCATION **(You do not need to make any of these calculations yourself.** **The Claims Administrator will make all of these calculations for you.)**

1. The Net Settlement Fund will be allocated among the Authorized Claimants in accordance with this "Plan of Allocation." The amount so allocated to each Authorized Claimant constitutes and is referred to herein as the Authorized Claimant's "Payable Claim." The Plan of Allocation is based upon Plaintiffs' Counsel's assessment of the merits and the relative strengths and weaknesses, including recoverable damages, of the claims of the members of the Class. In developing this Plan of Allocation, Class Counsel has considered, among other things, the following:

(a) The Class Period of nearly 17 months includes a period of volatility in both the market in general and the price of Red Robin stock in particular.

(b) Plaintiffs' complaint alleges two sets of misrepresentations:

(i) Plaintiffs allege that Red Robin, CEO/Chairman (Michael Snyder), CFO (James McCloskey), Controller (Lisa Dahl) and Director (Dennis Mullen) made false statements concerning the adequacy of Red Robin's internal controls relating to use of chartered aircraft and travel and entertainment expenses and concealed that the CEO/Chairman received \$1.25 million in perquisites that should have been disclosed as compensation. Plaintiffs allege that the falsity of these statements was revealed after the close of trading on August 11, 2005 when Red Robin issued a press release announcing that a special committee of the Company's board of directors had conducted an internal investigation relating to use of chartered aircraft and travel and entertainment expenses, during which it identified various expenses by then CEO/Chairman, Michael Snyder, that were inconsistent with Red Robin's policies or that lacked sufficient documentation. Following this and other announcements, the price of Red Robin stock fell \$14.24 to close at \$45.55 per share on August 12, 2005 on unusually heavy volume of nearly 10 million shares.

(ii) Plaintiffs also allege that Red Robin, replacement CEO (Dennis Mullen) and replacement CFO (Katherine Scherping) provided investors false financial guidance for the third and fourth quarters of 2005 and made false statements concerning the adequacy of Red Robin's internal controls over financial reporting. The falsity of these statements is alleged to have been revealed before the market opened on January 10, 2006 when Red Robin issued a press release warning that the Company would report lower revenues, earnings and comparable restaurant sales for the fourth quarter of 2005 than earlier forecasted. Following the announcement, the price of Red Robin stock declined \$13.69 to close at \$38.29 per share on January 10, 2006 on unusually heavy volume of nearly 9 million shares.

(c) Under certain Supreme Court and other precedents, persons who purchased Red Robin stock may only recover for losses proximately caused by Defendants' prior misleading statements and may not recover for any price declines caused by general market factors or by disclosures of other negative information not alleged to have corrected prior misstatements. Similarly, persons who both purchased and sold Red Robin stock prior to a corrective disclosure or between corrective disclosures may have a more difficult burden in proving recoverable damages.

(d) At the same time Red Robin disclosed on August 11, 2005 that it had conducted an internal investigation which found Snyder's improper expenses, Red Robin also announced that the CEO/Chairman was retiring

and that comparable restaurant sales would be lower in the third quarter of 2005. Plaintiffs' Counsel have estimated that 50% of the price decline on August 12, 2005 (\$7.12) can be attributed to the revelation of matters Plaintiffs allege were concealed from investors. Among other factors that caused the unrecoverable portion of the price decline were the lowered sales guidance, investors' concern with the risk accompanying senior management changes, and general market volatility.

(e) The greater prospects for a finding of legal liability and for damages for the set of alleged misrepresentations related to inadequate controls concerning use of chartered aircraft and travel and entertainment expenses and concealment of the CEO/Chairman perquisites, based in part on the fact that the Company acknowledged in filings with the U.S. Securities and Exchange Commission that controls in this area were inadequate.

(f) The lesser prospects for a finding of legal liability and for damages for the set of alleged misrepresentations regarding the replacement executives' false financial guidance for the third and fourth quarters of 2005 and false statements concerning the adequacy of Red Robin's internal controls over financial reporting. The statements regarding financial guidance are forward looking statements which are entitled to greater protection under the safe harbor provision of the Private Securities Litigation Reform Act, 15 U.S.C. § 78u-5(c). Plaintiffs lack any acknowledgment from Red Robin or its auditor that internal controls were ineffective during the third and fourth quarters of 2005.

2. An Authorized Claimant's recognized loss ("Recognized Loss") is determined by the date(s) the Authorized Claimant purchased or sold any shares of Red Robin stock during the August 13, 2004 through January 9, 2006 Class Period, as set forth below.

(a) **Shares of Stock Purchased Between August 13, 2004 and August 11, 2005, Inclusive:** For shares of Red Robin stock that were purchased during the period from August 13, 2004 through August 11, 2005, inclusive, the Recognized Loss is as follows:

(i) For shares sold either at a profit or a loss during the period from August 13, 2004 through August 11, 2005, inclusive (that is before any corrective disclosure), the Recognized Loss is zero;

(ii) For shares sold at a loss during the period from August 12, 2005 through January 9, 2006, inclusive, the Recognized Loss is the smaller of either (1) \$7.12 per share or (2) 50% of the difference between the purchase price and the sales price; and

(iii) For shares retained after the close of trading on January 9, 2006, the Recognized Loss is the smaller of either (1) \$8.49 per share or (2) 50% of the difference between the purchase price and the \$38.29 closing price on January 10, 2006.

(b) **Shares of Stock Purchased Between August 12, 2005 and January 9, 2006, Inclusive:** For shares of Red Robin stock that were purchased during the period from August 12, 2005 through January 9, 2006, inclusive, the Recognized Loss is as follows:

(i) For shares sold either at a profit or a loss during the same period from August 12, 2005 through January 9, 2006, inclusive, the Recognized Loss is zero;

(ii) For shares retained after the close of trading on January 9, 2006, the Recognized Loss is the smaller of either (1) \$1.37 per share or (2) 10% of the difference between the purchase price and the \$38.29 closing price on January 10, 2006.

(c) For purposes of determining which shares of Red Robin stock purchased during the Class Period either were sold at any time during the Class Period or were retained past August 11, 2005 or January 9, 2006, purchases and sales of Red Robin stock will be matched, on a first-in, first-out (FIFO) basis, by matching the first shares sold against any closing position of shares held as of August 12, 2004 (prior to the start of the Class Period) and then on a FIFO basis against any additional shares of Red Robin stock purchased during the Class Period on the basis of the assumption that the first share purchased was the first share sold.

(d) The date of purchase or sale is the "contract" or "trade" date as distinguished from the "settlement date."

(e) The restrictions on computing Recognized Losses set out in the 3 bullet points below apply to all claims. As a practical matter, however, they apply primarily to certain transactions engaged in by sophisticated traders or certain corporate or institutional Claimants:

- "Short" sales will not be recognized for any amount of loss on the cover or purchase transaction, and no Recognized Loss will be computed for any such covering purchase transaction.
- No Recognized Loss will be computed for any transactions in shares of Red Robin stock engaged in by market makers.

- No Recognized Loss will be computed for any option premium paid or received portion where the shares of Red Robin stock were purchased or sold by reason of having exercised or been assigned an option.

3. An Authorized Claimant's "Payable Claim" represents a percentage of the Authorized Claimant's total Recognized Loss. This percentage is determined by dividing the Net Settlement Fund by the total Recognized Loss sustained by all Authorized Claimants. The resulting fraction, or payout percentage, is then multiplied by each Authorized Claimant's Recognized Loss to determine the amount of each Claimant's Payable Claim, subject to the further limitations below.

4. In the interest of economy, no payment will be made to any Authorized Claimant whose Payable Claim would be less than \$10 based on the initial allocation of the Net Settlement Fund to the Authorized Claimants.

5. If you inherited or received a gift of Red Robin stock during the Class Period, that inheritance or gift is not considered a purchase of Red Robin stock unless your ancestor or donor was the actual purchaser of Red Robin stock during the Class Period. You, as a recipient of a gift or inheritance, and the original purchaser may not both file a claim with regard to the same shares of Red Robin stock. If both you and the donor (or you and your ancestor's estate) make such a claim, only the claim filed by the recipient (or heir) will be honored.

6. Shares "transferred into", "delivered into" or "received into" the Claimant's account, will not be considered as a purchase of shares unless the Claimant submits documentation demonstrating that the original purchase of these shares occurred during the Class Period. Also, shares purchased and subsequently "transferred out" or "delivered out" of Claimant's account will not be considered part of Claimant's claim, as the right to file for those shares belongs to the person or party receiving the shares.

7. Nothing in this Plan of Allocation represents an admission by any of the Defendants that there is liability or damage of any kind as a result of the allegations in the Complaint or that the dollar amounts set forth in this Plan of Allocation reflect actual or potential damages to the Class.

8. Payment in the manner set forth above will be deemed conclusive compliance with the Stipulation as to all Authorized Claimants. All Class Members who fail to submit valid and timely Proofs of Claim will be barred from participating in the distribution of the Net Settlement Fund but otherwise will be bound by all of the terms of the Stipulation, including the terms of any final orders or judgments entered and the releases given to Defendants and others.

9. No Authorized Claimant will have any claim against Lead Plaintiff, Plaintiffs, Plaintiffs' Counsel or the Claims Administrator, or any other agent designated by Plaintiffs' Counsel based on the distributions made substantially in accordance with the Stipulation, the Plan of Allocation, and further orders of Court. In addition, in the interest of achieving substantial justice, Plaintiffs' Counsel will have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Proofs of Claim filed.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased Red Robin common stock during the Class Period as nominee for a beneficial owner, then within ten (10) days after you receive this Notice, you must either: (a) send a copy of this Notice and the accompanying Proof of Claim and Release form by first-class mail to all such beneficial owners; or (b) provide a list, electronically if possible, of the names and addresses of such beneficial owners to the Claims Administrator:

Claims Administrator
Red Robin Securities Litigation
Heffler, Radetich & Saitta, L.L.P.
P.O. Box 630
Philadelphia, PA 19105-0630

If you chose option (a) above, you may request enough forms from the Claims Administrator (at no charge) to complete your mailing. You may seek reimbursement of your reasonable expenses actually incurred in complying with these directives, subject to approval of the Court. All communications concerning this matter should be addressed to the Claims Administrator.

INQUIRIES

All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class Members should be directed to the Claims Administrator listed above.

Please Do Not Contact The Court Regarding This Notice.

DATED: June 29, 2007

BY ORDER OF THE DISTRICT COURT:

The Honorable Edward W. Nottingham
United States District Judge

3. All joint purchasers must sign this claim. Executors, administrators, guardians, conservators, and trustees must complete and sign this claim on behalf of persons represented by them, and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

4. Red Robin stock “transferred into,” “delivered into” or “received into” the Claimant’s account will NOT be considered as purchased Red Robin stock unless Claimant submits documents supporting that the original purchase of the Red Robin stock occurred during the Class Period. Also, Red Robin stock purchased and subsequently “transferred out” or “delivered out” of Claimant’s account will NOT be considered part of Claimant’s claim, as the right to file for those Red Robin stock belongs to the person receiving the Red Robin stock.

III. CLAIM FORM

1. Use the form entitled “Schedule of Transactions in Red Robin Common Stock” to supply **all** required details of your transaction(s) in Red Robin stock. If you need more space or additional schedules, attach separate sheets giving all the required information in substantially the same form. Sign and print or type your name on each additional sheet.

2. On the schedules, provide all of the requested information with respect to **all** of your purchases and **all** of your sales of Red Robin stock which took place at any time beginning August 13, 2004 through and including January 9, 2006, whether or not such transaction resulted in a profit or a loss. Failure to report all such transactions may result in rejection of your claim.

3. List each transaction in the Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each transaction you list.

4. The date of covering a “short sale” is deemed to be the date of purchase of Red Robin stock. The date of a “short sale” is deemed to be the date of sale of Red Robin stock. “Short” sales will not be recognized for any amount of loss on the cover or purchase transaction, and no Recognized Loss will be computed for any such covering purchase transaction.

IV. REPRESENTATIONS

1. I purchased the common stock of Red Robin Gourmet Burgers, Inc. between August 13, 2004 and January 9, 2006, inclusive. (Do not submit this Proof of Claim if you did not purchase Red Robin common stock during this period).

2. By submitting this Proof of Claim, I state that I believe in good faith that I am a Settlement Class Member as defined above and in the Notice of Pendency and Settlement of Class Action (the “Settlement Notice”), or am acting for such person; that I am not a Defendant in the Action or anyone excluded from the Settlement Class; that I have read and understand the Settlement Notice; that I believe that I am entitled to receive a share of the Net Settlement Fund; that I elect to participate in the proposed Settlement described in the Settlement Notice; and that I have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Class Member (e.g., as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that Settlement Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)

3. I have set forth where requested below all relevant information with respect to each purchase of Red Robin common stock during the Settlement Class Period, and each sale, if any, of such securities. I agree to furnish additional information (including transactions in other Red Robin securities) to the Claims Administrator to support this claim if requested to do so.

4. I have enclosed photocopies of the stockbroker’s confirmation slips, stockbroker’s statements, relevant portions of my tax returns or other documents evidencing each purchase, acquisition, sale or retention of Red Robin common stock listed below in support of my claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER OR TAX ADVISOR BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)

5. I understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your Payable Claim. In some cases the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives of the subject securities such as options.)

6. Upon the occurrence of the Effective Date (as defined in the Stipulation) my signature hereto will constitute a full and complete release, remise and discharge by me or, if I am submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by my, its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns of each of the “Released Parties” of all “Released Claims,” as defined in the Settlement Notice.

7. NOTICE REGARDING ELECTRONIC FILES: Certain Claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants MUST submit a manually signed paper Proof of Claim form listing all their transactions whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-800-335-2852 or visit their website at www.hrsclaimsadministration.com to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

SCHEDULE OF TRANSACTIONS IN RED ROBIN COMMON STOCK

1. At the close of business on August 12, 2004, I owned _____ shares of Red Robin common stock.

2. I made the following purchases of Red Robin common stock during the period August 13, 2004 through and including January 9, 2006:

Date(s) of Purchase (List Chronologically) (Month / Day / Year)	Number of Shares of Common Stock Purchased	Purchase Price Per Share of Common Stock	Aggregate Cost (including commissions, taxes, and fees)
□□ - □□ - □□	□□□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□
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3. I made the following sales of Red Robin common stock during the period August 13, 2004 through and including January 9, 2006:

Date(s) of Sale (List Chronologically) (Month / Day / Year)	Number of Shares of Common Stock Sold	Sale Price Per Share of Common Stock	Amount Received (net of commissions, taxes, and fees)
□□ - □□ - □□	□□□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□
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4. At the close of business on January 9, 2006, I still owned _____ shares of Red Robin common stock.

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS PHOTOCOPY THIS PAGE. SIGN AND PRINT YOUR NAME ON EACH ADDITIONAL PAGE.

5. Substitute Form W-9

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service ("I.R.S.") requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

Social Security Number: □□□□ - □□□ - □□□□□□ OR Taxpayer Identification Number: □□□ - □□□□□□□□□□
 (for individuals) (for estates, trusts, corporations, etc.)

6. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGEMENT.

I submit this Proof of Claim and Release under the terms of the Stipulation of Settlement described in the Notice. I also submit to the jurisdiction of the United States District Court for the District of Colorado, with respect to my claim as a Class Member and for purposes of enforcing the release set forth herein. I further acknowledge that I am bound by and subject to the terms and any judgment that may be entered in the Litigation. I agree to furnish additional information to Plaintiff's Lead Counsel or the Claims Administrator to support this claim (including transactions in other Red Robin securities such as options) if requested to do so. I have not submitted any other claim covering the same purchases, acquisitions or sales of Red Robin common stock during the Class Period and know of no other person having done so on my behalf.

7. Certification

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED ON THIS FORM IS TRUE, CORRECT AND COMPLETE.

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406(a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

I (we) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release and discharge all "Released Claims" against each and all of the Defendants and each and all of the "Released Parties," as defined in the Settlement Notice.

I acknowledge and understand that the Released Claims include unknown claims – any and all Released Claims which the Lead Plaintiff or Settlement Class Members do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Parties, which, if known by him, her, or it might have affected his, her or its decision(s) with respect to the Release of Claims. With respect to any and all Released Claims, the Parties stipulate and agree that upon the Effective Date, the Lead Plaintiff and Defendants shall expressly, and each Settlement Class Member shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiff and Defendants acknowledge, and Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims was separately bargained for and was a material element of the Settlement.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign)

(Signature)

(Signature)

Date: _____

Capacity of Person(s) signing, e.g. Beneficial Purchaser, Executor or Administrator

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN OCTOBER 27, 2007, AND MUST BE MAILED TO:

Claims Administrator
Red Robin Securities Litigation
Heffler, Radetich & Saitta L.L.P.
P.O. Box 630
Philadelphia, PA 19105-0630

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by October 27, 2007, and if a postmark is indicated on the envelope and it is mailed first class, and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

If you wish to be assured that your Proof of Claim is actually received by the Claims Administrator then you should send it by Certified Mail, Return Receipt Requested. No acknowledgment will be made as to the receipt of claim forms. Do not send original stock certificates. Keep a copy of your claim form for your records. You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify the Claims Administrator of any change of address.

Claims Administrator
Red Robin Securities Litigation
Heffler, Radetich & Saitta L.L.P.
P.O. Box 630
Philadelphia, PA 19105-0630

FIRST-CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the Release and certification on page 15.
2. Remember to attach copies of supporting documentation.
3. Do not send original or copies of stock certificates.
4. Keep a copy of your Proof of Claim form for your records.
5. If you desire an acknowledgment of receipt of your Proof of Claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move after submitting your Proof of Claim form, please send your new address to the Claims Administrator.

UNLESS YOU EXCLUDE YOURSELF, YOU ARE AGREEING TO THE “RELEASE OF CLAIMS.”