

Watts Randy  
 Form 4  
 December 09, 2010

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Watts Randy

(Last) (First) (Middle)

C/O NATHAN'S FAMOUS, INC., ONE JERICHO PLAZA

(Street)

JERICHO, NY 11573

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

NATHANS FAMOUS INC [NATH]

3. Date of Earliest Transaction (Month/Day/Year)

12/08/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)

VP - Franchise Operations

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
| Common Stock                    | 12/08/2010                           |  | M                              |   | \$ 3.2  | 2,450  | D                                 |
| Common Stock                    | 12/08/2010                           |  | S                              |   | \$ 16.05  | 2,350  | D                                 |
| Common Stock                    | 12/08/2010                           |  | S                              |   | \$ 16.06  | 2,200  | D                                 |
| Common Stock                    | 12/08/2010                           |  | S                              |   | \$ 16.07  | 2,100  | D                                 |
| Common Stock                    | 12/08/2010                           |  | S                              |   | \$ 16.1   | 1,900  | D                                 |

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Common Stock      12/08/2010      S      300      D      \$ 16.11      1,600      D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable      Expiration Date                    | Title      Amount or Number of Shares                         |
| 1992 Stock Option Plan (Right to Buy)      | \$ 3.2   | 12/08/2010                           |  | M                              | 2,150   | 10/31/2002      10/30/2011                               | Common Stock      2,150                                       |
| 2002 Stock Incentive Plan (Right to Buy)   | (1)  |                                      |  |                                |   | (2)      (2)   | Common Stock      17,500                                      |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                           |       |
|--|---------------|-----------|---------------------------|-------|
|  | Director      | 10% Owner | Officer                   | Other |
| Watts Randy<br>C/O NATHAN'S FAMOUS, INC.<br>ONE JERICHO PLAZA<br>JERICHO, NY 11573 |               |           | VP - Franchise Operations |       |

## Signatures

/s/ Randy Watts

12/09/2010

\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Options have various exercise prices.

(2) Options become exercisable and expire on various dates.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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